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Table 1

Wednesday July 31 1991

THE GULF WAR

US eyes the prize of Mid-East peace

Page 12

D 8523A

## World News **US** to close another 80 overseas :

The US intends to shut down or substantially reduce operations at an additional 80 military bases overseas as part of a programme to aban-don e third of its 1,600 foreign

hases by 1995. The bases are mainly in Ger many although the Pentagon has not identified the sites affected. They apparently include large bases, small garrisons, ammunition depots and support sites. The cuts are a response to budget pressures and the end of the Cold War. Page 14

Yugoslav talks stalled Yugoslav president Stipe Mesic walked out of a crisis meeting of the eight-member state pres-idency aimed at ending the bloodshed in Croatia. He rejected their plan to form a special commission under vice-president Branko Kostic to supervise a ceasefire in Croatia, Croatian Radio said. Croatia may cut ties with Serbia, Page 2

> Heavy toll in floods More than 100 people are feared dead after two days of heavy flooding in north-eastern Romania. In central India. more than 400 people may have

Coup leader isited Roger Lafontant, a former inte-rior minister in Haiti's deposed Duvalier dictatorship, was sentenced to life imprisonment with hard labour after being found guilty of staging a coup in January in which he took over the country for 11 hours.

Afghan peace hopes Afghan rebels gave guarded approval to a United Nations plan for ending 13 years of civil war but said members of the present Kabul government had no place in any transitional inistration.

Torture claims rejected Israel rejected allegations by . Amnesty International the it tortured and mistreated Pal-estinian prisoners. It said the reports were fabricated

German spy trial halted A Berlin court halted the prosecution of five former East German espionage service officials, saying it was unfair to prosecute East Germans for the kind of work still being carried out by western spies.

Korean N-plan rebuffed South Korea rejected a North Korean proposal for a nuclearfree Korean peninsula to be guaranteed by China, the Soviet Union and the US. It said the north must first open its nuclear programme for

Kurds in plea to Major Kurdish leader Jallal Talabani urged British Prime Minister John Major to step up aid for thousands of homeless Kurdish refugees in northern Iraq. He appealed at talks in London for help to build refugee camps and to achieve some regional

University gun battle More than six peopla were wounded in a five-hour gun battle between rival student groups at Dhaka University in Bangladesh.

Pacific N-tests protest France will continue nuclear tests in the South Pacific in spite of a strong protest by the 15-nation South Pacific Forum comprising nations in the region, the French foreign min-istry said.

Smoking ends in tragedy Two Japanese teenagers at a special school for problem students died after their teacher locked them for two days in a windowless freight car in summer heat as a pun-ishment for smoking.

## Dow moves above 3,000 buoyed by military bases bond market

US share prices, buoyed by a resilient bond market, moved confidently higher yesterday, pushing the Dow Jones Industrial Average back above the 3,000 mark. By 1 pm the Dow was up 23.48 at 3,008.72. World stocks.

stocks, Page 34 PLATINUM: Disillusioned Japanese investors prompted another sharp fall in the price of platinum to the lowest level for 5% years. It closed in Lon-

Platinum

370 ::

355 June 1991 July

FRANCE: The government is expecting only a hesitant recovery in the economy, and is to curb spending next year

UK: The Confederation of British Industry, the employer's organisation, reported falling confidence, orders and output in manufacturing industry in its latest quarterly industrial trends survey. Page 14; Edito-rial comment, Page 12; Lex. Page 14.

**EUROPEAN** Commission is expected to approve the proed merger, with conditions, between the car battery operations of Germany's Robert Bosch and Varta.

BRIDGESTONE, Japanese tyre maker, said consolidated pretax profits for the year to December, originally projected to rise 10.9 per cent to Y70bn (\$511m), are now expected to fall 20.7 per cent to Y50bn, due to continuing losses at its US and European operations.

ALLIANZ: Group pre-tax earnings at Europe's largest insurance company fell 9 per cent to DM1.9bn (\$1.07bn) last year, largely because of storm damage claims. Page 15; Lex. Page 14

last year. Page 15 TNT, Australian transport group, warned of a loss of up to A\$187m (\$145m) for the full year after announcing the set-ting up of its worldwide air express joint venture with five post offices in Europe and Canada. Page 18

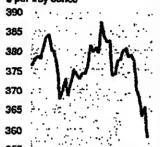
to Argentina, the country's sixth since 1983. The announce-ment also unlocks a further \$325m in World Bank loans.

PUMA, German sports shoe company which suffered badly in the competitive US market, reported net profits of DM8.6m (\$4.9m) in the first half of 1991 against a loss of DM4.4m in the same period last year.

# **Business Summary**

don well below the price of

\$ per troy ounce



gold - something that has happened only briefly on two occasions since 1986. Platinum ended the day in London at \$358.10 a troy ounce, down \$7.65. Commodities, Page 22

in line with its pessimistic fore cast for growth, finance minis-ter Pierre Bérégovoy warned.

Page 15

US STEEL: Two of the country's largest steel manufactur-ers, USX-US Steel and LTV, reported second quarter operating losses. USX reported a sec-ond quarter net loss of \$39m compared with net income of \$84m in the same period of last year, LTV reported second quarter net income of \$13.4m compared with income of \$76.6m in the same period of

IMF: The International Monetary Fund has approved a new \$1.04bn one-year stand-by loan

## US grants favoured trading status and reviews technology ban Soviet aid linked to reforms

PRESIDENT George Bush yesterday opened "a new cra" of portnership between the US and Soviet Union but laid down stiff conditions for future US financial aid to support President Mikhail Gorbachev's reform programme.

On the first day of the Moscow summit, Mr Bush announced a series of moves aimed at liberalising trade and oncouraging investment, including most favoured nation status which will reduce significantly US tariffs on Soviet

gnods.

The moves, which were expected, will further normalise relations between the two former Cold War antagonists. Mr Bush made clear, however, that further assistance will be linked to mora progress towards democracy and a market economy.

Mr Gorbachev issued a direct

appeal to Mr Bush for more US support. Speaking at a state dinner last night, he said it was time to scrap the Cocom restrictions on the transfer of Western technology to the Soviet Union. "If there is a will to help the Soviet Union to become part of the world economic system, then a more determined reciprocal movement is needed." Speaking at the Moscow State Institute for Interna-

tional Relations, Mr Bush called for reduced Soviet defence spending, an end to Soviet military aid to Cuba, and "good faith" negotiations with the breakaway Baltic

The US president also made more explicit US support for the return of the Northern Ter-



US and Soviet presidents George Bush (left) and Mikhail Gorbachev begin their meeting in the Kremlin yesterday

ritories - the Kurile islands to Japan. US officials said Mr. Bush intended to show that the administration also set conditions on future aid to the Soviet Union.

In his speech, Mr Bush adopted a friendly but firm tone, seeking to dispel Soviet hopes of a massive Western ball-out of the Soviet economy. "The transformation must come from within," he said. "A shortage of foreign capital is

not what plunged your economy into crisis, nor can your economic ills be cured by an infusion of cash."

Throughout the day, US and Soviet of Cales, warmly

Soviet officials spoke warmly of a new partnership between their countries which confirmed the end of the Cold War and opened up new opportunities for co-operation.

Soviet support for the US-led coalition against Iraq served as "crowning proof" that the US

and Soviet Union were over-coming their old animosities, Mr Bush said.

Mr Gorbachev, who is under attack from both conservatives and reformers, sought to emphasise that the US has a vital stake in the success of his political and economic programme.

in a welcoming ceremony in the Kremlin, the Soviet leader realise that we need each other, that the security, inter-nal stability and dynamic development of each of our two countries benefit both of

Today, in a further sign of improving US-Soviet relations, the two leaders are due to sign the Start treaty reducing each side's long-range nuclear weapons by some 30 per cent.

# De Klerk vows secret projects review

secret fundin

PRESIDENT F.W. de Klerk of South Africa, seeking to regain credibility after the scandal over funding to the Zulu Inkatha movement, last night promised a review of all secret government projects.
in his first public response to

the scandal, Mr de Klerk announced further measures to clear the way towards perotiafollowing the removal on Monday of two security ministers. The scandal has provoked the most serious political crisis

of his presidency. A confident and relaxed Mr de Klerk announced the cancellation of all secret funding to political parties or organisa-tions and said legislation covering secret funds would be brought into line with interna-

we are prepared to stand the test of public scrutiny." A private sector advisory

committee would investigate secret projects. "Our hands are clean", he said.

Although Mr de Klerk's per-formance will have gone some way to restoring his image as a good-faith negotiator, opposi-tion groups will suspend judgment until there is proof thet secret spending has indeed been scaled down.

Doubts will remain, espe-cially as Mr de Klerk made no tional norms.

"In view of the latest controversy, every secret project is being looked at again," he said.
"I am trying to prove by what I have amounced tonight that have amounced tonight that

Indeed, Mr Barend du Ples sis, the finance minister, made clear that funding for an operation such as the raid on a train in which 28 people died, alleged to have been carried out by the "special forces" would not be affected.

Only so-called "special secret projects" on which R26.9m (\$9.3m) will be spent this year, are to be phased out.

Mr de Klerk admitted that individual security force mem-

in the violence which has left 10,000 people dead in the past five years, though he denied this was government policy. "Relentless action" would be taken against any security force member who incited or

bers might have been involved

dated members of lakatha in the violence, he said. A comon of inquiry would investigate such allegations, and its composition would be agreed by the major political organisa-Monday's demotion of Gen

eral Magnus Malao and Mr Adriaan Vlok, who held the defence and police portfolios respectively, was privately welcomed by African National Congress officials, who said the action had removed almost all remaining obstacles to the start of talks on a post apart-heid constitution. However, the ANC did not immediately react to last night's measures, which fell short of its demand for a commission of enquiry into

Mr de Klerk last night reiter ated his commitment to negoti-ations in the transition to democracy, adding that he had an open mind on which method was used. He said the measures must ensure that government "is unable to mis-use its position of power to the detriment of its discussion partners".

**Editorial Comment, Page 12** 

## Abu Dhabi rescue deal wins delay in BCCI winding-up

By Raymond Hughes and

THE BANK of England's hopes for a quick resolution to the fate of Bank of Credit and Commerce International received a further setback yes-terday when it failed, for the second time, to obtain a winding-up order against the

Its attempt in the High Court in London to have the bank declared insolvent was frustrated by a surprise 250m (\$84m) compensation package for the UK depositors and employees of BCCI unveiled by the Abu Dhabi

authorities. This prompted the court to grant a four-month delay to the bank's majority shareholders to allow them more time to explore ways of reviving the

The Bank of England's embarrassment was com-pounded when Sir Nicolas Browne-Wilkinson, the vice-chancellor - the senior Chancery judge - expressed surprise at the Bank's opposi-

tion to the plan. He noted that "the Bank is not willing itself to contribute any cash" to increase the amount depositors would be

getting. Sir Nicolas described the Abn Dhabi plan as a generous scheme to provide interim payling depositors and employees in England. ments for BCCI's small ster-The Bank argued in the

Court that an immediate wind-Court that an immediate winding up was the only way to protect depositors fully.

The Bank, which is already facing widespread criticism over its handling of the affair, said it was disappointed by the ruling. "This is obviously not the outcome we cought?" said the outcome we sought," said an official.

However he pointed out that it had achieved its regulatory objectives by closing BCCI down on July 5.

News of the Abn Dhabi scheme raised hopes that BCCI's majority shareholders are planning to rescue parts of

the stricken group. Representatives of Sheikh Zayed bin Sultan al al-Nahyan, the ruler of Abu Dhabi, said thet considerations were at an early stage and thet no plans

had yet been formulated. The High Court, which was told it was hoped to make the first payments under the scheme next month, adjourned Continued on Page 14

BCCI news, page 7

## Bull 'right on schedule' despite loss of FFr1.94bn

By Gaorge Graham in Paris

the French state-controlled computer company, has reported a further deterioration in earnings with a net loss of FFr1.94bn (\$320m) in the first half of this year. The result compares with a loss of FFr1.88bn in the same period of a year earlier, but Bull said yesterday that it was "right on schedule" with the

restructuring plan it announced nine months ago.

Bull said that the recent agreement signed with NEC, the Japanese electronics group which is to take a 4.7 per cent take in Bull's parcet contacts. stake in Bull's pareot com-pany, should not be affected by yesterday's results.
The group's restructuring,

which involves 5,000 job cuts this year, a complete reorgani-sation of production managesation of production manage-ment and a rationalisation of Bull's manufacturing plants, is designed to bring the ailing group back to profitability by the end of 1992, improving operating margins by some FFr4bn a year.

Bull officials said yesterday

that 8,000 job cuts had been implemented so far this year, and the reduction of the number of production plants from 13 to six is also well under

The restricturing had, how-ever, as expected, had only a limited effect on earnings in the first six months of this The French company also

insisted yesterday that its first half losses were in line with the projections involved in its restructuring plan, and should have no effect on the investigation by the European Commis-sion into a capital injection promised by the French government.

Bull had already received a FFr1.5bn advance from the

government last year, and an official said yesterday that a further FFr2bn injection had been received on schedule two weeks ago. Another FFr2bn has been promised for next The company said its operat-ing loss before interest charges

MARKETS

had diminished by FFr200m in comparison with the same period of 1990, but declined to give a figure for this loss. Bull is not the only com

puter company to have suf-fered in the first half of this year. IBM, the world market leader, announced 10 days ago der, announced 10 days ago a 90 per cent drop in second quarter earnings to \$114m, while Compaq last week declared an SI per cent drop in second quarter earnings to

Digital Equipment, mean-while, announced last week a loss of \$871m in its fourth quarter as a result of a \$1.1bn spe-cial charge for a drastic restructuring programme involving severe job cuts.
Bull said that while it had suffered more than its competi-tors from the weakness of the computer market, in the first six months of this year, with the market still weak, it had fared better than many of its rivals. Group sales fell only 4 per cent to FFrI5.2hn, the com-pany said.

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Opec oil market doves ascend to maintain moderate prices A unique production



ment between Saudi Arebia and iran, together with the absance of Kuwalti and Iraqi oil output, has allowed King Fahd to re-establish moder-ete pricing policies, et Page 12

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FFr5.952 SFr1.52835 Y137.9 DM1.7505 (1.753) FFr5.955 (5.96) SFr1.5285 (1.5325) Y137.8 (138.15) 5 Index 68,9 (68.8) 5.723%

New York lund

DJ Ind. Av. 3007.16 (+21.91) S&P Comp 385.44 [+2.29) Tekya: Nikkel 23,872.63 (+429.05) 11品% (11%)

Tokyo close: Y137.83 US innolitime rates Fed Funds: 512 % S-mo Treasury Bil. Long Bond:

LONDON MONEY Sep 92 (92 16)

STOCK INDICES

FT-SE 100: 2596.6 (+0.6)

FT Ordinary: 2011.6 (+ 0.5)

FT-A All-Share: 1238.75 (same) New York lunchi

Brent Sep \$19.525 (same) Chief price chariges yesterday: Page 15

97 1. yield: 8.39%

By Laura Sliber in Zagreb, Quentin Peel in Bonn and Judy Dempsey in London

step up their conflict, coincided with a meeting of the presi-dents of the six Yugoslav

republics. However, Mr Franjo

news agency, Mr Tudiman did not turn up "because of an escalation of [Serbian] terror-ism which is supported by Ser-bian leaders and parts of the

federal military."
For the first time in many

days, there were no reports of clashes between armed ethnic

Serbs and Croats in Croatia.

The presidents of the republics met to discuss a European Community proposal to extend to Croatia the EC's mandate to

monitor a ceasefire and with-drawal of federal and local ter-

ritorial defence units to the barracks in neighbouring Slo-

venia, which has also declared

dependence. The EC has insisted that any

extension of its involvement in

Croatia depends on gaining approval from the Croat and

In Bonn yesterday, it emerged that Mr Hans-Dietrich

Genscher, the German foreign

minister, was unhappy about the EC's failure to invite to

talks in Brussels this week rep-

resentatives from Croatia,

Serbia and Slovenia. Diplomats suggested he saw it as a "missed opportunity."

Tudiman, Croatia's president, refused to attend. According to Tanjug, the country's official

CROATIA'S parliament will vote later this week on whether to cut off all ties with Serbia in a move aimed at starving its arch-rival economically, Mr Sime Djodan, the republic's outgoing defence minister, said yesterday in an

He also said a new government would be formed this week in an attempt to harness popular support after months of ethnic clashes which have forced thousands of Croats to

atian government, remains confident that, despite heavy casualties, the republic has not "lost the war." More than 100 people have died in clashes between Croats and ethnic Scale in Creatia in the rest six

prepared to give a lot of money

His remarks, which suggest that the governments of Serbia and Croatia are preparing to

# Diamonds official finds party is forever

Leyla Boulton and Anthony Robinson unearth some sparklers in Soviet gems policy

YEAR after senior Soviet officials were disciplined by the Communist party for irregular trading in diamonds, the state prosecutor has closed a subsequent judicial investigation after finding "certain violations but no grounds for criminal prose-

Mr Nikolai Sapozhnikov, a member of the investigating team, said the government had been informed of these violastemmed not from fraud but from high-level and continuing differences over the Soviet Union's diamond marketing

strategy.

The man at the heart of last year's initial investigation by the disciplinary commission of the central committee of the Communist party was Mr Yev-geny Bichkov, the then head of the Soviet Union's precious stone depository, Gokhran. He and senior finance ministry officials were accused of "failure of discipline and and crude violations in the conduct of commercial operations involv-ing the sale of state-owned precious stones for hard currency

on foreign markets". But Mr Bichkov, who, together with his colleagues at the finance ministry, was accused of losing at least \$22m on the secret sales, has since been made director of a new division of the finance ministry set up to control the state a use of precious stones.

In an interview he denied that losses were involved and said that the aim of the controversial sales, sanctioned by the cabinet of Mr Nikolai Ryzhkov, the former prime minister, was to check whether Glavalmezzoloto, the state monopoly for precious stones and precious metals sales, was getting a fair price for Soviet diamonds.

But his operations, which included the use of a state-

owned co-operative called ANT (itself involved in controversial arms sales) as an intermediary, were interrupted before hs could come to any conclusions about official Soviet diamond

Mr Richkov is hitter about the parallel system of justice operated by the Communist perty, a relic of the old system of intertwined party and state structures, and says the cen-tral committee investigators, who used the services of the KGB, "knew nothing about dia-

nist party accusations were prompted by Glavalmazzoloto senior management which was putting the finishing touches on last year's unprecedented since the Soviet Union could system either by off-loading deal with De Beers centenary, not go back on it. deal with De Beers centenary, the Swiss arm of the De Beers

By David Buchan in Brussele

THE European Community

and the European Free Trade Association will try again in September to create a common

19-nation economic zone, fol-lowing their failure to agree here on Monday night. But

both sides fear the achieve-



London as collateral for a \$1hn loan. Glavalmazzoloto also signed an agreement giving De Beers Central Sales Organisa-tion (CSO) exclusive right to sell uncut Soviet gem dia-monds worth an estimated \$5hn over the next five years.

Although the diamond deal gave Moscow immediate access to hard currency it has not stopped a continuing domestic disputs over whether Moscow was getting the best value for its diamonds.

Last week, an expert from the ministry of foreign trade's research institute wrote that the De Beers agreement committed the Soviet Union "to a second rate position for five years". Mr Igor Kazakov claimed that analysis of the agreement showed a "complete lack of professionalism of its for a break-up of the state monopoly, Glavalmazzoloto.

His views were dismissed by Mr Valeri Rudakov, the head of Glavalmazzoloto, who defended the agreement with De Beers saying a monopoly system was needed for the dismond market. But Mr Bichkov, who has emerged as one of the stron-gest critics of the state monopoly supported this latest criticism of the De Beers link although he added that he would not investigate the deal

not go back on it. The \$1bn loan raised from

made the Community less keen

to abolish tariffs on competing

imports of Efta fish products.
Today's opinion by the Commission on Austria's EC application — which is expected to broadly favour starting negotiations in 1993 — may underline that the EFA

the growing view that the EEA is nothing but an unsatisfactory half-way house for Efta states on their way to joining

the EC club.



spokesman said. Mr Gary Raife, a De Beers director who helped negotiate the original deal and who keeps in close touch with the Soviet partner, added that the Soviet diamond industry is continuing to invest in the main Yakutia production area in eastern Siberia while evaluating new kymberlite depos of diamondifierous material in

> zoloto "was not project-tied but generically tied to development of the diamond industry and

efficiency of their industry. Some things in the Soviet Union still work well, like the Moscow metro. And so does the the diamond industry."

the the diamond industry."
Mr Nicholas Oppenheimer,
the CSO chairman, recently
visited Yakutia, source of more
than 90 per cent of current
Soviet diamond production,
and signed a general agreement to "widen areas of future co-operation and liaise on tech-nical and related subjects" with Mr Mikhail Nikolayev,

tha Yakut leader. This gold- and diamond-rich area of eastern Siberia is an antonomous republic of tha Russian federation and has been involved in complex nego-tiations with both the Soviet all-Union authorities, led by President Mikhail Gorbachev and the Russian Federation, led by Mr Boris Yeltsin. Under the new Union Treaty, currently being finalised, Yakutia expects to be allowed a greater

share of its hard currency revenue to be controlled locally. The new tri-partite division of powers is likely to have a big impact on the future of Glavalmazzoloto which could be "transformed" in the near kov. This prospect is not yet furrowing brows at CSO headquarters in London. From there the bope is that the new "troika" arrangement being worked out between Yakutia and the two Moscow-based power centres will lead to a solution which keeps their five-year deal intact.

Feelings are running high in Norway. Several political par-ties have demanded a referen-

dum on any EEA agreement While the govsrnment is unlikely to agree to this, the deal will need a three-quarters

## Walesa says reforms have stalled

yesterday blamed his Solidarity government for being too remote from society, saying Poland's reforms had stalled and democracy was faltering. "The organisational achieve-ments in Poland of democracy and pluralism, the values in

which I believe appear to be failing", Mr Walesa said. The remarks marked the start of what Mr Walesa has billed as a political offensive to get Poland's reforms back on

track and counter a mood of widespread disenchantment. Three months before Poles vote in their first free postwar perliamentary elections, indes-iry is in deep recession and nearly one in four Poles in an opinion poll published last week said the Communist regime has been replaced by a Solidarity dictatorship.

• More than 12,000 employees

at Poland's state-owned Ursus tractor enterprise will be put on indefinite leave starting Monday because of the enterprise's disastrous finances, AP reports from Warsaw.

#### Romania closer to privatisation

Romania's upper house of par-liament yesterday voted to pass a privatisation bill designed to take the country closer to a market economy, Reuter reports from Buchar-

Under the bill one-third of state businesses will be distrib-nted to the adult population through vouchers used to buy shares. The rest will be priva-tised piecemeal through auc-tions, direct sell-offs and joint

#### Aids tests for German doctors

GERMANY'S health ministry and doctors' associations agreed yesterday to recom-mend regular voluntary Aids testing for doctors and dentists who could cut themselves and infect patients, Reuters reports from Ronn.

Ms Gerda Hasselfeldt, the health minister said this was prompted by a US case in which a young woman was infected by her dentist.

#### **Debriefing Turkish** swimming trunks

Turkish men can now buy "Islamic style" bathing cos-tumes which cover the body from hip to knee and do not cling to the figure when wet, Reuter reports from Ankara. They come from the Tekbir

Tesettur Giyim factory in the central city of Kayseri, which specialises in religiously cor-rect clothing, the semi-official Anatolian Newa Agency

#### Lisbon attacked by industry

The Confederacao da Industria The Confederacao da Industria Portuguesa (CIP), Portugal's largest industrial association, yesterday criticised the govern-ment'a economic policies and accused it of failing to assist Portuguese industry, writes Patrick Blum in Lisbon.

majority in parliament.

If an EEA agreement is not reached this autumn other Efta High inflation, high interest rates and a strong escudo has seriously undermined the abilexport, while tight monetary controls denied them cheaper credit outside Portugal, Mr Pedro Ferraz da Costa, the CIP president, said.

#### Austria to buy missiles

Austria's coalition government, citing conflict in Yugo-slavia as a factor, said yesterday it would equip its armed forces with advanced anti-aircraft missiles.

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#### By Andrew Hill and Agencies in Brusseis representatives yesterday dis-cussed with EC commissioners the specific problems dogging

**US-EC** talks fail

the Uruguay Round world trade talks under the General Agreement on Tariffs and Trade (Gatt), but emerged from their three-hour meeting with-out having reached firm cou-clusions on how to resolve the

EC refused to bow to demands nade by the US and others for

commissionar, Mr Ray Mac-Sharry, the farm commis- internal matter for the EC.

sioner, Mr Ed Madigan, the US agriculture secretary and Mrs Carla Hills, US trade represen-

specifics of sectors and ways in which we can deal with them.

"constructive engagement on a variety of levels", covering outstanding technical and political problems. She added, "We

Mr Frans Andriessen, the EC ued talks with Mr MacSharry trade and external relations last night, made clear the issue of reform of the CAP was an

## **Push for EC strategy** on high-definition TV

By Andrew Hill in Brussels

REPRESENTATIVES of REPRESENTATIVES of Europe's TV industry meet European Commission officials again on Friday, in a last attempt to agree an EC strat-egy for high-definition TV (HDTV) before the holidays. Mr Filippo Maria Pandoff, EC telecommunications and

EC telecommunications and research commissioner, had hoped for an agreemant between broadcasters, satellite operators and makers by early August, but that target seems

line, but these are big companies and they won't commit themselves to anything legally binding in three days," said a broadcaster yesterday. Mr Pan-dolfi met broadcasters and sat-ellite operators yesterday to discuss the HDTV draft direc-

go into detail. Mr Ed Madigan, who contin-

He believes that the Commu-



In practice however the funds have "gone to the government for its needs", according to Mr Rudakov, and only a correaponding rouble amount has been allocated to the industry.

De Beers meanwhile reports no problems with a deal which formalised a decades-long secret relationship and ensured that the cash-strapped Soviet government would not under-

rights - is no wider than at

the last ministerial negotiation in June when both sides overoptimistically declared a political breakthrough. If it was wrong to declare a breakthrough in June, it would be

equality wrong to declare a breakdown on Monday night," said one diplomat yesterday. Robert Taylor adds from

Stockholm: Norway's government is to recall parliament from recess on August 15-16 to discuss the deadlock in negoti-

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EC and Efta try again to create common zone on fishing this week has attitude of some Community states during the EEA negotia-tions could turn already divided public opinion against the EC.

on fishing this week has shocked Norwegians, who had expected a quick settlement. Norway thought it had secured, in talks last month, free access into the EC for its fish and fish products in return for only minor concessions over the EC fishing fleet's access to its coastal waters. This proved to be a misunderstanding and the gap between the two sides remains wide. Norwegians who want their country to seek EC member-

country to seek EC membership in the near future are wor-ried that the unsympathetic

TRIPARTITE talks among Italy's government, trade unions and employers on output costs, public sector pay and tax evasion ended yesterday with no substantial progress of the pair legues. ress on the main issues. The talks, which resume in September, are part of an effort to reduce labour costs

due in 1990-1991. He also said that Total was close to signing an agreement with the Algeria stats oil and gas monopoly, Sonatrach, allowing the French company to acquire a 20-25 per cent stake in Algeria's Hassi Messaoud oil field.

and Algerian companies. France is also expected to provide credits which would allow Algeria to buy im tone of cereals later this year.

If all these credits are drawn down, this will bring the value

guarantee in aupport of Algeria's recovery approved by

#### the EC citis. But the negotiating gap on the key remaining sticking points - EC demands for Effa money, fish and road transit The failure to secure a deal Labour talks Algeria to receive Treuhand executive says east German deadlocked companies have been sold too cheaply in Italy By Haig Simonian in Milan of the west German business-men who had been recruited as supervisory board chairmen for the larger east German con-FRANCE HAS announced a

EAST GERMANY'S privatisation agency, the Treuhand, has been selling companies too cheaply to investors, according to Mr Hero Brahms, the former finance director of Hoesch who is now the deputypresident of the organisation. Mr Brahms, in an interview with the FT, said the agency initially lacked the expertise to value companies properly. "I know of cases where we have not even included the value of

the inventory." In the past few months the organisation bad recruited more people with the relevant expertise and had begun to insist that buyers' promises on

investment and jobs were writ-ten into sale contracts.

"But we still have problems and restructuring and said the Treuhand had only

By David Goodhart in Bonn

A MORE interventionist

strategy for east Germany

including preference for east German goods in public pur-chasing, guaranteed space for east German goods in the main

retail chains, and debt forgive-

ness for farmers, was yester-

day proposed by Mr Björn

Engholm, leader of Germany's Social Democrats (SPD), after a

tour of the eastern region.

with reliable valuation infor-mation. Profit and loss accounts, are, for example, often unreliable. For buyers

tion is concentrating too much on keeping the headline privatisation figure on a fast rising curve (2,600 at the latest count) while doing too little to restructure companies and enhance their value for sale. Mr Brahms denied there was

Mr Engholm criticised the

government and the Treuhand

privatisation agency for an excessively laissez-faire atti-tude. It was a delusion to imag-

ine that a new industrial struc-ture could be quickly established if the existing one

was allowed to collapse.

Ha cited tha example of industrial research and devel-

opment where, ba claimed,

recently started to receive the business plans from its compa-nies on which it could make decisions about future invest-

Although the agency's inter-nal organisation had improved, he admitted there were still highly uneven levels of compe-

was neithar a civil service department nor a business, and lacked a "culture" of its own. Mr Brahms criticised some

cerns. He said several of them

(£253m). The organisation is currently preparing a sales dossier for 800 pieces of land.

for Italian products through currency depreciations has been considerably limited. Employers have stressed the need to tackle high labour costs and social security contributions, which they see as the main cause of the continuing erosion in competitiveness.

However, the negotiations,

150,000 a year) or the number were never expected to be commuting to west Germany estimated at more than 300,000. wake much headway.

# FFr4.4bn credits

of principal over the next few

form of 30-year concessionary financing.

• Two of FFribn each will be raised on market terms and carry a guarantee from the French export credit guarantee organisation, Coface. The first will be used to import cars from Renault and Peugeot, the second consumer goods.

of loans to Algeria guaranteed by Coface to FF736bn, thus confirming Algeria as its third largest customar after the Soviet Union and Iraq.
In a further development,

EC heads of government early this month will only be acti-vated ouce the Credit Lyonnais-led operation has been

both sides fear the achieve-ments of two years of talks on the European economic area (EEA) may start coming apart. Efta has raised new difficul-ties about textiles and ship-building anbaidies, whila the desire of Britain and Ireland to protect their newly-developed protect their newly-developed fish farming industries has

ment support.

tence between departments, a result of failing to acreen candidates properly when the Treuhand was growing quickly at the end of last year.

"We are dealing with this problem. We are currently

were obstructing the necessary break-up of the bigger east German companies. "Unfortu-nately some people feel they have inherited a small empire

and they must bold it together, said Mr Brahms.

The Treuhand has not been active enough in selling prop-erty, according to Mr Hans Krämer, the executive member responsible. He said that so far the organisation had sold only a few hundred plots of land and received a total of DM750m (2957m). The comprisation is

and combat inflation. Since the lira joined the European monetary system's narrow band last year, the government's scope for compensating relatively high cost increases

> which opened in mid-June, have been complicated by the conflicting priorities of the groups involved. While union representatives have concentrated on wage reform and steps to tackle tax evasion, employers have stressed the need to amend the scala mobile system which links pay rises

to inflation.

As a result, the talks, which were never expected to be

# countries may seek individual deals with the Community.

FRANCE HAS announced a package of credits worth FFr44bn (£450m) to Algeria following the visit by Mr Pierre Bérégovoy, the French economics minister, to Mr Sid Ahmed Ghozali, the new Algerian prime minister, on Monday.

Mr Bérégovoy said he would also encourage Credit Lyonnais to speed up its attempts to raise a \$800-\$1bn bank credit, whose aim is to refinance principal commercial bank debt due in 1890-1891. He also said

Mr Ghozali reiterated his commitment to accelerate the settling of Algerian payments arrears to France. Delays since September 1989 have been the subject of much concern in Paris. He also repeated his government's commitment to avoid rescheduling its \$25bn foreign debt and seek all means to refinance payments

The French package includes five separate loans:

FFr2bn is the reactivation of the second tranche of a FFR4bn loan agreed in 1989 and which was never drawn down, half of which is in the

• FFr300m will be used to import spare parts for priority sectors of the economy. • FFri00m will help finance joint ventures between French

the Ecu500m (£347m) loan

The Director General of the IMF, Mr Michel Camdessus has congratulated Algeria for its "courage" in accepting to pay the debts it had contracted.

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Financial Times (Scandinavia) Vimmel-skafter 42A, DK-7161 Copenhagen-X, Deamark, Telephone (33) 13 44 4), Fins. (33) 935335.

interview.

flee strife-torn areas. The changes, he said, would repre-sent "a wider spectrum." Mr Djodan, whose views represent the far right of the Cro-

Serbs in Croatia in the past six months. "If Serbia [Yugoslavia's largest republic] wants war, then we have about 200,000 Croats abroad who have volunteered to fight. We will buy guns, anti-tank and anti-aircraft weapons from Hungary, Italy and France because there are many Croats abroad who are

to help Croatia.

to advance reform

The negotiations which were to have ended last year, col-lapsed last December when the

sharp cuts in their payments to several fronts, but would not Yesterday's talks involved

"We've tried to go into more Andriessen after the meeting. Mrs Hills said there had been

have a good way yet to go". They hinted they had new

"August 2 is the big dead-

tive and a memorandum of understanding to promote the intermediate transmission standard D2-Mac. The eventual aim is a full HDTV standard—

who know an east German business well, it is still possible to gat very good deals," he Mr Brahms' comments will be seized on by those, mainly on the political left, who have argued that that the organisa-

problem. We are currently reviewing the competence of all senior staff," he said. He added that the organisation

86,000 scientists had worked in

the old East Germany com-pared with less than 30,000 now. More than half the 86,000

had either retired early or were

unemployed, 10 per cent were working in west Germany and 10 per cent had other jobs.

Mr Engholm saw encourag-ing signs in the retail business, small trading and the building

industry. However, the Trea-

SPD leader calls for more intervention hand had to play a more active role in managing and investing in the large industrial compames under its control. Without an active industrial policy, Mr Engholm said, it would be impossible to reduce the numbers leaving east Germany (estimated at 120,000TIMES WEDNESDAY JULY II

reforms stalled

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## unleash business spirit By John Lloyd and Llonel Barber in Moscow month, though Mr Bush was However, both sides recognise

PRESIDENT George Bush took the opportunity in his speech to the Moscow State Institute for International Relations yesterday to preach a small sermon about capitalism to Mikhall Gorhachev, his counterpart at the Moscow A shortage of foreign capi-

tal is not what plunged your economy into crisis, nor can your economic ills be cured by your economic ills be cured by an infusion of cash. Only through real reform can the Soviet Union abolish the count-erproductive command economy - only through real reform can the Soviet Union unleash the ingenuity, the energy and the entrepreneurial potential of its people."

This, he said, needed a plan, which must be worked out

between the Soviel Union and the International Monetary Fund and World Bank (their tcams are already beginning work). The programme must "set oot priorities... progress rests on the pace of reforms, on the epeed with which you move from a system based on command and control to one based on supply and demand." This would be in contrast with the plan which Mr Gorbachev brought to the Group of Seven

month, though Mr Bush was too polite to say so.

He was frank enough to say the problem was not just that the Soviets did not need cash, but that the west was not awash with it. Instead of grandiose government to government aid, the two sides "must bring together the husingss." hring together the husiness-men from Europe and America, and their partners from all over the Soviet Union" to dis-

cuss concrete projects and pos-sibilities for investment. In a lunchtime talk yester-day with President Nursultan Nazarbayev of Kazakhstan, Mr Bush got down to one such instance. The development of the Tengiz oil field in Kazakhstan, potentially one of the richest in the world, had been granted to the US Chevron company. The deal is now stalled, because of the source of the source. led hecause of two separate Soviet commission reports casting doubt on the propriety of the agreement and the overgenerosity of the terms con-

ceded by the Soviet side. US officials see the deal as a test case, one in which the division of powers between the centre and the republics must be clarified and firm guarantees given for the prosecution of the venture, if this and fur-

that private investment nced a framework within which they can operate comfortably – and that needs, besides a clear reform process, signals from the US that it now treats the Soviet Union as a friendly, rather than o potentially hostile, country. Apart from the granting of MFN trado status, bilateral

investment and tax treaties are to be proposed, designed to give equal opportunities to US investors in the Soviet Union and to avoid double taxation. At the same time, training and experience-sharing programmes will be built up in energy and defence conversion. In the latter, for example, groups of defence industrialists will be brought to the US to be shown "bow the defence industrial system functions in a market economy."

The substance of the agree-ments is still slender: the main message from the US is still - we will assist, but only if you make the hig efforts. "As in eastern Europe, our assistance will keep pace with your reforms," sald Mr Bush. Mr Gorbachev bas now received that message in many forms: the question now is, his will and ability to act upon it.

## Bush stresses need to Treading warily over independence issue

For Mr Bush, under fire from domestic critics for Ignoring the Soviet republics now demanding freedom, the Moscow summit represents a delicate balancing act between distancing himself from the Soviet centre and his anxiety to eupport President Mikhail

"Who do we support?" Mr Bush asked rhetorically in his speech yesterday.

The answer: "American stands with the forces of freedom and reform – wherever they are found."

This ringing phrase covers

more than it reveals. In the battles between the Soviet centre and the republics, the par-

MR George Bush yesterday met Russian President Boris Yeltsin and Kazakh President Nursultan Nazarbayev – but none of the Baltic leaders, or any from those republics which have so far refused to sign the union treaty, John Lloyd and Llonel Barber write.

For MR Puch under fire from the service of the property of the union treaty appeared to come closer yesterday when Mr Yeltsin likely to be held up by the refusal of the Ukrainian leaders ship – whom Mr Bush visits tomorrow – to consider signing it until they have agreed on a new republic constitution in the autumn, or later.

While relations between Mr

George Bush meets Boris Yeltsin yesterday for talks on Russian trade and economics

tomorrow - to consider signing it until they have agreed on a new republic constitution in the autumn, or later.

While relations between Mr Gorbachev and the republican based they are toward they leaders have improved, they remain touchy, and this touchiness spilled over to the summit yesterday. Mr Yeltsin did not attend a planned joint meeting

with Mr Bush and Mr Gorba-His office said an invitation to lunch with them arrived too late to be accepted.

Mr Bush is now putting on foot gingerly out to test the firmness of the republics' developing independence. He keeps his weight, however, on the foot which still stands on

## Israel to be pressed over Middle East peace conference

PRESIDENT George Bush will hold talks today with President Mikhail Gor-bachev in a joint effort to secure a final response from Israel on whether to attend a Middle East peace conference, Lionel Barber writes.

The US and Soviet Union intend to act as co-sponsors of a regional confer-

ence and the two leaders were hoping to announce the date for a meeting between Israel and the Arah states at

However, Israel has sent mixed sig-nals on participating in a regional con-ference and has passed word that it would like Mr James Baker, US secretary of state, to return to Jerusalem to iron out final differences. Mr Baker is expected to leave for

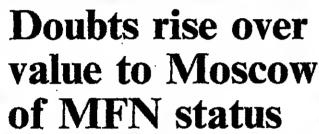
Jerusalem after the Moscow summit. But US officials played down a sugges-tion that he would be accompanied by Mr Alexander Bessmertnykh, Soviet foreign minister.

Mr Baker and Mr Besmertnykh spent much of yesterday discussing the next steps in the Middle East process amid signs of some frustration that Israel had yet to deliver a final reply.

Mr Bessmertnykh dangled the prospect of establishing formal diplomatic recognition of Israel if progress on a peace conference could be made. "We may be close to reestablishment" of relations, he said.

relations, he said The US and Soviet Union have issues in the Israel-Arab conflict.

the Middle East as an example of the new partnership between Washington and Moscow. Agreement on a peace conference would be a considerable fil-lip for Mr Bush and Mr Gorbachev. However, Israel has voiced concern about the issue of Palestinian representation and has objected to Palestinians from east Jerusalem attending. The sta-tus of the holy city is one of the central



PRESIDENT George Bush's widely expected concession on Most Favoured Nation (MFN) status for the Soviet Union yesterday was the first summit dividend for President Mikhail Gorbachev. However, trade analysts have doubts about the value to the Soviet Union of the change, which grants the reciplent the lowest possible tariffs. Some say there is so little that Americans want to buy from the Soviet Union that tariff rates will matter very lit-

About half of all US imports from the country already enter duty free. These include precious metals, anhydrous ammonia, art, sable skins and tractors.

However, vodka imports will gain, and soma investors interested in joint ventures to produce exportable products may be encouraged to move ahead on the grounds that there will

be a payoff in bard currency.
While Mr Bush has rebuffed suggestions that the US pour dollars into a reform effort for the Soviet economy, the US Export-Import Bank, the country's export credit agency, has at last begun to announce final commitments for loan guaran-

The first of these is a \$19.6m (£11.6m) sale of battery making equipment and related services from Exide, of Troy, Michigan. The second, approved last week, is for the purchase of automotive piston manufacturing equipment from Cross of Fraser, Michigan. Moskvich Production is buying the equipment of the production o ment for use in the production

Eximbank renewed its activities in the Soviet Union in January after a break of 17 years, However, the sellers were unable to obtain financing to

support the transactions. The bank is limited by law to granting no more than \$300m in guarantees for Soviet purchases. However, Mr Bush is expected to ask for a higher ceiling or no limit at all.

Eximbank has received applications for credit guaran-tees totalling more than \$1.5bn. Most are for capital equipment and machines to make cars, tyres and airport infrastruc-

The agency has responded with several preliminary commitments. One of these is for the sale of personal compute systems for the Soviet State Committee for Public Education. Another would sell circuit etching equipment for personal

computers.
The Bush administration has been more than willing to pro-vide credit guarantees for food purchases. After an initial \$1bn granted last January, \$1.5bn more was approved earlier this summer to boost lagging grain

exports.
The Soviets have also received export subsidies for Although the administration has insisted that the EC phase out its own farm trade subsidies, it is expecting to spend \$900m on its controversial "export bonus programme" in

fiscal 1992. Mr Edward Madigan, US agriculture secretary, wants to raise his department's \$50n of car engines.

Both deals were concluded in principle last year, before the soviets.

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## What today's Start treaty will mean

THE Strategic Arms Reduction Talks (Start) treaty, to be signed today in Moscow by Presidents Mikhail Gorbachev

Presidents Mikhail Gorbachev and George Bush, will have the following effects, Reuter reports from Geneva:

The Soviet Union will have to cut its strategic nuclear arsenal by more than 35 per cent to around 7,000 warheads from about 11,000 warheads, though these numbers are not though these numbers are not written into the treaty.

m The US will in practice have to cut its arsenal by about 25 per cent to around 9,000 war-heads from about 12,000. The treaty's detailed provisions are:
Officially, each side must

cut back to 6,000 "accountable" warheads on strategic nuclear

warneads on strategic nuclear weapons.

Tha treaty undercounts bombs and missiles launched from bombers, considered to be less destabilising since they can take 10 to 20 times as long as ballistic missiles to reach their destination and can meanwhile be recalled or shot

down.

• Under the overall limit of 6,000 accountable warheads, a sublimit is set of 1,540 warbeads on 154 of the destabilising heavy intercontinental ballistic missiles (ICBMs). This will require a halving of the Soviet Union's heavy SS-18 arsenal. The US has no heavy ICBMs and no new ones may ICBMs and no new ones may

that is, ballistic missiles them-selves (as opposed to warheads) as well as bombers. · A limit of 4,900 ballistic missile warheads.

• A limit of 1,100 warheads on

deployed mobile ICBMs. Intrusive verification meaeures to ensure compliance, including short-notice inspec-tions at strategic weapons facilities and continuous monitoring of mobile ICBM production facilities.

 No transfer of strategic weapons to third countries, though there will be no inter-ference with existing arrange-ments such as US weapons eupply to Britain. But there will be no inspections for

weapons in third countries. The treaty will last 15 years, renewable for successive five-

renewable for successive five-year periods.

The limits affect deployed 1CBMs and snhmarine-launched hallistic missiles (both categories have ranges of more than 3,400 miles), and missiles and bombs launched by heavy bombers; but they do not apply to sea-launched cruise missiles (SLCMe) because of the difficulty of ver-ification.

ification. Each side will provide annual, politically binding dec-larations detailing the number of long-range nuclear SLCMs it plans to deploy over the com-ing five years. But in any case neither side may deploy more A limit of 1,600 Strategic
Nuclear Delivery Vehicles 
SLCMs.

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PAN AM CORPORATION et al.,

NOTICE OF BAR DATE FOR FILING PROOFS OF CLAIM AND PROCEDURE THEREFOR

Notice is hereby given that, pursuant to an order of this court, dated June 26, 1991, and in accordance with Bankruptcy Rule 3003 (c) (3), the court has set a bar date of SEPTEMBER 19, 1991, AT 5.00 P.M., EASTERN DAYLIGHT TIME (the "Ber Date"), and has prescribed procedures for filing proofs of daim against debtors Pan Am Corporation (91 B 10080 (CB)), Pan Am Express, Inc. (91 B 10081 (CB)), Pan Am Express, Inc. (91 B 10082 (CB)), Pan Am Shuttle Inc. (91 B 10080 (CB)), Alart Management Systems, Inc. (91 B 10087 (CB)), Allmet International, Inc. (91 B 10086 (CB)), and Pan Am Commercial Services, Inc. (91 B 10085 (CB)) in the above-captioned chapter 11 cases (collectively, "Debtors"). The deadline and procedures set torth herein apply to all claims of whatever character, arising before January 8, 1991, the date of commencement of Debtors' chapter 11 cases, against any Debtor or its estate, whether secured or unsecured, liquidated or unflquidated, fixed or contingent. If YOU ARE REQUIRED TO FILE A PROOF OF CLAIM BUT DO NOT DO SO IN THE MANNER AND TIME PRESCRIBED, YOUR CLAIM WILL BE FOREVER BARRED, YOU WILL NOT BE ENTITLED TO ANY DISTRIBUTION ON THAT CLAIM OR TO VOTE ON ANY PROPOSED PLAN OF REORGANIZATION, AND WILL RECEIVE NO FURTHER NOTICES REGARDING YOUR CLAIM.

- You must file a proof of claim if you have a Prepetition Claim (as defined below), unless your claim is of a type described in Paragraph 2 or 4. A Prepetition Claim is defined as a claim that arcse before January 8, 1991 in chapter 11 case nos. 91 B 10080 (CB) through 91 B 10087 (CB).

Do NOT file a proof of claim if you do not have a Prepetition Claim against any of the Debtors. This notice is being sent to many who may not have a Prepetition Claim or who are otherwise not required to file a proof of claim. The fact that you have received this notice does not mean that you have a Prepetition Claim or that either Debtors or the court think that you have a Prepetition Claim:

- - You are NOY REQUIRED to file a proof of interest by reason of your ownership of shares of common stock of Pan Am Corporation. Future notices to ra will be based on transfer agent records.
- WHO IS NOT REQUIRED TO FILE A PROOF OF CLAIM, BUT MAY DO SO:

You ARE NOT REQUIRED to file a proof of claim, but may do so, if any of the following applies to you:

- You have already filed a proof of claim. You may change your Propetition Claim by filing another proof of claim and designating it as an
- Your Prepetition Claim is listed on the achedules filed by Debtors with the court on May 8, 1991 or any amendments thereto and is <u>not</u> listed as "disputed," "contingent," or "unliquidated," and you agree that your claim has been scheduled accurately.
- Your claim relates only to the principal of and interest payable on the following public debt securities of Pan American World Airways: 9%. Convertible Senior Subordinated Debentures due 2010, 15% Senior Debentures due 2004, and 13.5% Senior Debentures with Limited Subordination due 2003. Pan American World Airways has scheduled its liability for the principal of and the interest payable on those securities. Holders of record of those securities at the commencement of distributions will receive any distributions under any confirmed chapter 11 plan or plans for the Debtors.
- Your claim relates only to the principal of and interest payable on Pan Am Corporation Swiss Dual Currency Bonds due 1995. Pan Am Corporation has scheduled a liquidated amount respecting its liability for the principal of and the interest payable on those securities. Holders of record of those securities at the commencement of distributions will receive any distributions under any confirmed chapter 11 plan or plans for the Debtors.

if you have more than one Prepetition Claims, you should apply Paragraphs 1, 2 and 4, separately, to each of your Prepetition Claims. For example, if you have one Prepetition Claim that should not be filed and a second Prepetition Claim that must be filed, you should file a proof of claim as to the second Prepetition Claim only.

If you have Preparition Claims against more than one of the Debtors, you should file a separate proof of claim for each Debtor.

The deadline for filling a proof of claim is 5:00 p.m., Eastern Daylight Time, on September 19, 1991, YOU MUST FILE THE ORIGINAL OF EACH PROOF OF CLAIM, INCLUDING ANY ATTACHMENTS, AT THE FOLLOWING ADDRESS BY MAIL TO:

Bankruptcy Clerk - Pan Am Claims Post Office Box 1017 New York, New York 10004

OR IN PERSON TO: Office of the Clerk, United States Bankruptcy Court, One Bowling Green, New York, New York 10004

A PROOF OF CLAIM IS NOT FILED UNTIL IT IS RECEIVED BY THE CLERK OF THE BANKRUPTCY COURT. IF YOU ARE SUBMITTING YOUR PROOF OF CLAIM BY MAIL, YOU MUST ALLOW SUFFICIENT TIME FOR DELIVERY. This deadline is absolute, unless your claim:

- from the rejection by debtors after the bar date of an executory contract or an unexpired lease, in which case the deadline will be fixed by the court in the order approving the rejection.
- Arises from a recovery by Debtora of an avoidable transfer made to you, in which case the deadline will be 30 days after entry of the court order or judgement for recovery of the transfer.
- is a tax claim described in Bankruptcy Code section 502(i), 11 U.S.C. § 502 (i), that does not arise until after the Bar Date.
- WHAT TO FILE:

If you file a proof of claim, proof of claim forms must conform substantially to the form of Official Form Nos. 15,20, or 21. If you received this notice by forms from the Clerk's Office of any United States Benkrupicy Court. FAILURE TO USE THESE FORMS MAY RESULT IN A DELAY IN PAYMENT OF YOUR CLAIM, PLEASE TAKE FURTHER NOTICE THAT ALL PERSONS AND ENTITIES OTHER THAN THOSE DESCRIBED IN PARAGRAPHS 2, 3 AND 4 ABOVE MUST FILE A PROOF OF CLAIM ON OR BEFORE THE SEPTEMBER 19, 1991 BAR DATE IN THE ENGLISH LANGUAGE AND ANY AMOUNTS CLAIMED THEREIN MUST BE CONVERTED TO UNITED STATES COLLARS AS OF THE CLOSE OF BUSINESS JANUARY 7, 1991 USING THE RATES REPORTED IN THE WALL STREET JOURNAL, OTHERWISE THE HOLDERS OF SUCH CLAIMS SHALL BE FOREVER BARRED FROM VOTING UPON OR RECEIVING ANY DISTRIBUTION OF CASH OR PROPERTY UNDER ANY PLAN OF REORGANIZATION, OR

- ADDITIONAL REQUIREMENTS:
  - If you are a stockbroker or other agent of a boncholder (including a record holder or depository agent) and you hold a debt of any of the Debtors as trustee, as nominee, in strest name or otherwise, you must transmit a copy of this notice to each beneficial holder of any such security within five days of your receipt of this notice. Upon request, Debtors will supply you with the necessary additional copies of this
  - YOU SHOULD INCLUDE ALL CLAIMS AGAINST A DEBTOR ON A SINGLE PROOF OF CLAIM FORM (EXCEPT EMPLOYEE WAGE CLAIMS WHICH MUST BE FILED ON A SEPARATE PROOF OF CLAIM FORM).
  - YOU SHOULD ATTACH TO YOUR COMPLETED PROOF OF CLAIM FORM COPIES OF ANY WRITINGS UPON WHICH A CLAIM IS
- **EURTHER INFORMATION:**

If you have a question about this notice, you may contact the Pan Am Bankruptcy Noticing Center at Poorman-Douglas Corporation, 1325 Southwest Custer Drive, Portland, Oregon 97219 (503) 245-5555 during the hours 9:00 A.M. to 5:00 P.M. (Pacific time) or Pan Am Corporation, S King Road, Rockleigh, New Jersey, (201) 767-2012 during the hours 9:00 A.M. to 5:00 P.M. (Eastern time).

If you have questions concerning unsecured creditors of Debtors, you may contact Counsel for the Official Committee of Unsecured Creditors during the hours 10:00 A.M. to 5:00 P.M. (Eastern time), Monday through Friday at: Milgrim, Thornajan & Lee, 53 Wall Street, New York, New York 10005.

The schedules in Debtors' cases are available for inspection during regular business hours, Monday through Friday, at the offices of Poorman-Douglas Corporation, 1325 Southwest Custer Drive, Portland, Oregon 97219; at the offices of Pan Am Corporation, 200 Park Avenue, 9th Floor, New York, New York 10151; and at the office of the Clerk of the United States Bankruptcy Court, Southern District of New York, 6th floor, One Bowling Green, New

Debtors' Counsel is Cleary, Gottleib, Steen & Hamilton, One Liberty Plaza, New York, New York 10006.

ANY OTHER QUESTIONS, SUCH AS WHETHER YOU SHOULD FILE A PROOF OF CLAIM OR TAKE ANY OTHER ACTION WITH RESPECT TO YOUR PREPETITION CLAIM, SHOULD BE DIRECTED TO YOUR ATTORNEY.

Dated: New York, New York July 31, 1991

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For further information please send your name, address and . Fax No to: IC-INTL 25 Avenue d'Orbatz, 1180 Brussels, Beiglum Fax No (322) 375 87 46.

Dendline: August 13, 1991



## THE INSOLVENCY ACT 1986

APPOINTMENT OF ADMINISTRATIVE RECEIVERS TEMPBRIDGE HOLDINGS LIMITED - REGISTERED NUMBER 1464778 TEMPBRIDGE LINGTED -

REGISTERED NUMBER 1534104 TEMPBRIDGE MARTON LIMITED REGISTERED KUMBER 1534306 D.T. LEASING LIMITED -REGISTERED NUMBER 2046340 (formerly TEMPBRIDGE LEASING LIMITED)

NOTICE HEREBY GIVEN, pursuant to Section 46(1) of the Insolvency Act 1985, that H C Brust and R M Withinshow of Kideone Implet, Chartered Accountants, Bank House, 8 Chory Street, Birningham, B2 6AD, were appointed as Joint Administrative Receivers of the above compenies on 18th July 1961 by The Floyal Bank of Scotland pic under the terms of debentures at lideted 5th March 1980 Combertine thand and Gouting chargest over

Dated this 26th day of July 199

H C BRUNT JOINT ADMINISTRATIVE RECEIVER PERSONAL

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The interest rate applicable to the above
Motes in respect of the Interest period
commencing 31st July 1991 will be
79/sit per assuum.
The interest amounting to US \$180.49
per US \$5,000 principal amount of the
Notes and to US \$360.97 per US \$10.000
principal amount of the Notes will be
paid on 31st January 1992 against
presentation of coupon No. 9.

CARLY SERVICES.

BANK LEUNI (UK) PLC Principal Paying Agent

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LEUMH INTERNATIONAL RIVESTMENTS N.V. US \$60.000.000 QUARANTEED FLOATING RATE MOTES 1993 GUARANTEED FLORTING RATE MOTES 1993. The interest rate applicable to the above Notes in respect of the interest period continencing 31st. July 1991 has been fixed at 64% per enquiri. The interest amounting to US \$33.22 per US \$1.000 principal amount of the Notes will be paid on 31st. January 1992 against presentation of coupon No. 17. CARLY LET MAR GEO DO.

BANK LEUMS (UK) PLC Principal Paying Agent

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## **AMERICAN NEWS**

Consumers show little faith in early recovery

# US confidence index stays weak

By Michael Prowse in Washington

failed to climb above levels indicating a "feeble economy", the Conference Board, a nonprofit New York-based business analysis group, said yes-

91 B 10080 (CB)

through 91 B 10087 (CB)

The board's closely-watched index of consumer confidence registered a disappointing 77.7 in July, fractionally below last month's level of 78. The index rose sharply in March following the allied vic-tory in the Gulf war but has

since drifted lower and remains well below levels that would indicate a brisk economic recovery.

The index registered 101.7 at the start of the recession last

US CONSUMER confidence has July, and between 100 and 120 for much of the preceding three years.

Separate figures yesterday for home sales, however, were more encouraging. The Commerce Department said sales of new houses rose 7.4 per cent in June to a seasonally adjusted annual rate of 525,000, well ahead of analysts' expecta-

The June figures, which followed a dip in May, were the best since last summer and offer further evidence that the fitful recovery of the US housing market is gaining momentum. Housing starts and build-ing permits have also risen in

Mr Fabian Linden, for the Conference Board, said the confidence figures offered only faint signs of an economic recovery. "Certainly, there are uo indications of a vigorous

rebound." The figures are based on a monthly survey of 5,000 US families.

The confidence survey provides the first important economic data for July.

If employment statistics and the purchasing managers' index, due later this week, are also disappointing, the Federal Reserve, the US central bank, may come under increasing pressure to cut interest rates again.

Some Fed policymakers are reportedly also worried by a slowdown in monetary growth to an annual rate of less than 3 per cent in recent

months. The latest confidence figures show a continuing discrepancy between consumers' assessment of current and future conditions. The increase in the overall index since February is entirely due to rosier expecta-

An index measuring the "present situation" is lower. today than at the height of tension over the Gulf and stands at less than half the level registered at the start of the reces-

## **Property** conditions in US

'improving' research grants. PROPERTY market conditions The row, which has implicain most of the US may be mproving slightly, acc

to a survey conducted by the Federal Deposit Insurance Corporation, writes Peter Riddell. The finding, if confirmed. could be the first good news in some time for US banks; many of their current problems are the result of weakness in property markets, especially in the

north-east The survey, based on a poil in mid-July of 500 real estate experts in FDIC field offices, shows improved conditions snows improved conditions compared with a similar sur-vey last April in all areas except the west, where resi-dential markets beld steady and commercial markets showed a slight decline, nota-bly in southern California.

The FDIC has been predict-ing 400 bank failures this and next year. According to Mr William Seldman, FDIC chairman, a sustained upturn in property markets could take at least six months to filter through to banks, but eventually could ease the failure rate.

The results are expressed in an index where a reading around 50 indicates a stable market, one below 50 indicates a declining market and one above 50 points to improving conditions, Nationally, the composite index for both residential and commercial markets rose from 61 in April to ment in the south.

The commercial index edged

up from 47 to 51 nationally, with the north-east improving slightly from 34 to 38, but from 49 to 58 in the south. In the west the index fell from 56

#### Democrats in fight to alter budget deal

CONGRESSIONAL Democrats are facing White House resistance to their attempts to modify last year's budget agree-ment, writes Peter Riddell. They seek approval, before

Congress adjourns on Friday, for a bill to expand unemploy-ment insurance. Under present law, qualifying workers are paid up to 26 weeks' normal benefits and can receive an extra 13 weeks' extended benefits when unemployment among insured workers in their state reaches 5 per cent, or exceeds by 20 per cent the state average rate for the pre-

vious two years.

The Democrats are proposing to extend benefits by a minimum four or five extra weeks, up to a maximum of 20. They have suggested the rney nave suggested the extension, costing nearly \$6bn, should be paid for either by raising the federal unamployment tax on businesses or by allowing the president to declare an emergency permitting the budget agreement to be branched.

# Stanford president to resign

MR Donald Kennedy, president of Stanford University in California, one of the leading uni-versities in the US, is to resign following a scandal over alleged misnse of federal

tions for several of the US's other prominent research and higher education institutions, concerns allegations by auditors that Stanford boosted its grants by charging the federal government for maintenance of facilities or administrative overhead costs that had little

do with the projects concerned. In Stanford's case the defini-tion of these "indirect" costs was broadened to include spending allegedly on antique furniture and fresh flowers for Mr Kennedy's home. Stanford receives about

Johns Hopkins University in Baltimore, although in April the government cut \$18m from the university's request for

indirect cost support.

Having previously defended the accounting practices, the

unviversity has withdrawn \$1.3m in charges to the govern-ment which it now says were errors or inappropriate. Last week the university launched a new accounting plan to strengthen accountability in

the use of public grants.

Mr Kennedy, who has been president of Stanford since August 1980, said be would \$240m (£143m) a year in federal research funds, second only to step down in a year's time to permit a wide search for his successor. "It is very difficult for a person identified with a problem to be the spokesman for its solution," he said.

## **Drexel settles claims** outstanding with US revenue service

By Nikki Tait in New York

DREXEL Burnham Lambert, the once high-flying invest-ment bank which filed for Chapter 11 bankruptcy protection last year, said last night it had settled outstanding claims against it by the US Internal

Revenue Service.

The IRS claim - initially for over \$5bn (£2,9bn) - had been seen as a big obstacle to a set-tlement reached in May by the investment bank, the parties which had brought securities law suits against it, and its

Under this deal, the securities litigation against Drexel would end, and Drexel's \$2.5bn estate would he divided, according to a complex forA small on-going operation would also emerge from the Chapter 11 process, managing Drexel's most illiquid invest-ments – although in the longer term, this would probably be sold, or its value realised in some way.
The tax anthorities, how

the various creditors.

ever, had filed a \$5,3bn claim against Drexel, and had this not been settled, the deal between litigants and creditors could have been aborted. In the event, Drexel has agreed to pay the IRS \$183m plus interest of

The first sum is payable when Drexel's plan of reorgani-sation goes through, and the

#### Canada-France fishing ground hearing starts

AN international court of arbitration has begun hearings in New York to settle a protracted boundary dispute between Canada and France over fishing grounds in the north-west Atlantic, Bernard

Simon reports from Toronto. The dispute involves France's claim that its two risland-dependencies, St Pierre and Miquelon, are entitled to a 200-mile fishing zone. Canada contends that the islands, 12 miles south-west of Newfound-land, should be limited to a

12-mile zone. The area in dispute includes part of the Grand Banks, one of the north Atlantic's richest fishing areas. The stakes have been raised by recent oil finds off other parts of Newfound-land and Nova Scotia.

The tribunal's decision.



Roger Lafontant: prevented from standing in presidential elections

## Life sentence for Haiti coup leader

By Canute James in Kingston

MR Roger Lafontant, a former interior minister in Hatti, was found guilty yesterday of stag-ing a coup in January and sen-tenced to life imprisonment with hard labour.

Mr Lafontant, 56, is the for-mer bead of the Tontons Macoutes, the dreaded militia of the Duvalier family dictator-ship which ruled Haiti for 29 years until it was overthrown in a popular uprising. A court in Port-an-Prince,

taking part in the coup, during which the rebels controlled the Caribbean country for 11 hours. They were given prison sentences ranging from 10 years to life.

The coup, on January 6, came after Mr Lafontant was prevented from standing in presidential elections last

• Five men who were due to be heard.

the capital, also found 21 of Mr Lafontant's colleagues guilty of taking part in the coup, during which the rebels controlled the

stay of execution.
Sir Frederick Smith, president of the Grenada appeal court, said the court would have to deal with an appeal motion filed by the convicts lawyers before the executions could take place. It is not yet known the motion will be beautiful.

# Cavallo wins loan fillip from IMF

By John Barham in Buenos Aires

THE International Monetary Fund has approved a new \$1.04bn one-year stand-by loan to Argentina, the country's sixth since 1983. The announcement also unlocks a further

\$325m in World Bank loans. One-quarter of the money will be set aside for Argentina's use in future commercial hank debt reduction talks.

The stand-by loan is a badly needed boost for Mr Domingo Cavallo, economy minister, whose strict policies aim to lower inflation by running a budget surplus, deregulating the economy, and opening Argentina's protected market

to international competition. However, analysts in Buenos Aires cast doubts yesterday on the government's ability to comply with the loan's stringent conditions. Argentina has not complied with any of its receut IMF

loans, although Mr Cavallo said he would not sign terms of

any accord with the Fund that he could not meet. Fiscal policy is the centrepiece of Mr Cavallo's strategy; it envisages that stable govern-

ment finances will lower inflation and induce business confidence, allowing the economy to grow 5 per cent this year. Argentina has promised to generate a primary budget sur-

plus equivalent to 3.5 per cent account for 35 per cent of the

surplus.

The government must pay interest on domestic and for-eign debts out of the budget

surplus. The targets will grow steeply after crucial gubernato-rial and congressional elec-tions to be held in August, September and October.

An economist at an interna-tional bank said: This target is not feasible as things stand at the moment. After the elections we expect another tax package and more spending

Banks have been impressed by a World Bank analysis of Argentina's structural reforms

cuts." He added there was conof GDP, or \$4.9bn, in the year to June 1992. It says privatisa-tion receipts of \$1.7bn will cern the government might devalue in order to free part of its \$5.5bn in foreign reserves. By law, all domestic currency surplus. In the second quarter of this year tax and privatisa-tion receipts rose to \$7.4bn, generating a \$900m primary in circulation must be backed by foreign reserves.
The devaluation would cre-

ate an excess of reserves to local currency, allowing the government to spend some of

its reserves. The economist added that

"by next year the government hopes the broader political relationship with the IMF, foreign governments and the com-mercial banks will have shifted in its favour, allowing it to reprogramme its performance

targets".
Mr Cavallo expects to begin talks with the IMF next year for a three-year extended facility loan and to start final renegotiation of Argentina's \$3500 commercial bank debts. Its interest arrears will climb to \$9bn by December.

None the less, creditor banks were impressed by a positive world Bank analysis of Argentina's structural reforms made at a meeting of the advisory committee, which oversees commercial debt regotiations with Argentina. However, bankers appeared to accept that Argentina is genuinely. that Argentina is genuinely unable to increase its token \$60m monthly interest ps

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Third World warns on Gatt delay

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## Land Rover in **Brazil** trade mark dispute

to register as a company in the state, claiming he owns the name. If he wins the case, the Land Rover office in São Paulo could be closed down.

Land Rover's problems began earlier this year when they discovered that Mr Perthey discovered that Mr Pereira, a Rio husinessman, had
started a company called Land
Rover do Brasil through which
he was selling Land Rover
cars. The Brazilian patent
office ruled that Land Rover
had lost the right to use the Range Rover or Land Rover names and trade marks as it bad not operated in Brazil

since 1958.
Land Rover lost lts first stationery.

ATTEMPTS by the British company Land Rover to invest in Brazil appeared to be in jeopardy again yesterday as a result of claims by a Brazilian entrepreneur that he was the rightful bolder of the Land Rover and Bange Rover names and trade marks in Brazil.

The São Paulo High Court was last night deciding on a case brought by Mr Hilton Percira against the São Panlo state government challenging its right to allow Land Rover to register as a company in the

However, Mr Pereira has now challenged its right to make a further appeal while continuing to sell Land Rover vehicles brought in from Bel-gium and France, from his Copacabana office.

Land Rover is furious about the situation, A spokesman said yesterday the company had initiated criminal and civil proceedings against Mr Pereira for "acting in a fraudulent manner". Meanwhile the unrelenting Mr Pereira says he has hegun cases against Land Rover's project manager in Brazil for allegedly operating on a tourist visa, its sales manager for allegedly libelling him and both of them for using the

DEVELOPING countries yesterday warned the leaders of the seven industrialised powers not to leave until the 11th hour the political decisions needed to save the Uruguay Round trade talks from ignominious fallure. Waiting until the last moment to resolve the impasses would be "a pretext for mediocrity." said Mr Rubens Ricupero, Brazil's amhassador to the General Agreement on Tariffs and Trade (Gatt) and its corrent

chairman.

Deiay would mean settling for disappointing results in the name of expediency and would impose "indecent haste" detrimental to the interests of smaller countries.

By William Dulflorce in Geneva

Mr Ricupero was speaking on behalf of some 40 develop-ing countries at the last session of the round's governing body before negotiations went into their summer recess. His remarks reflect a wide-spread fear among Gatt mem-bers that the pledge by the seven leaders at their London summit earlier this month to

complete the round successfully by the end of the year will mean a botched result to the five-year effort to liberalise world trade. Separately, Mr Arthur Dunkel, Gatt director-general, warned that it would be self-de-

feating to expect that last-min-

ute solutions would emerge



Gatt chairman Rnbens Ricupero: "Delay detrimen-tal to smaller countries"

"through magic or good luck". Later this week, in an attempt to nudge forward the crucial talks on the reform of world farm trade, he will circulate notes claborating in greater detail some of the options available to governments in reducing agricultural subsi-

Both Mr Dunkel and Mr Ricupero underlined the contrast between the behaviour of many developing and eastern European countries, which have recently taken independent steps to remove their trade barriers, and that of the big trading powers which have held back concessions as bar-gaining chips for the last stage of the negotiations.

Were the big powers ready to give a chance to the democratic regimes and market economies that were "changing the face of the earth in central and eastern Europe, in Latin America, Africa and Asia?" Mr

Ricupero asked.

Despite the urgency voiced, the trade talks will not resume until the middle of September. The groups negotiating on agriculture and intellectual property rights will meet on September 16 while services negotiators will return on Sep-tember 17 for a session on maritime transport, where a hig obstacle to an agreement liberalising world trade in ser-

vices has emerged.
An "enormous negotiating effort" would have to be made in October and November, Mr Dunkel said. But, he insisted, all the elements necessary to carry the round to a successful conclusion were at hand. Governments were in posi-

tion to move into proper negotiations on farm reform, tex-tiles and clothing, reductions in tariffs and other border bar-riers to trade and services. Agreements on anti-dumping

and foreign investment could also fall into place fairly quickly once the essential political decisions had been taken, Mr Dunkel said.

However, the crucial stumbling block remains the continu-ing failure of the European Community to make the con-cessions on farm reform that would facilitate a compromise with the US.

with the US.

In private, trade diplomats say that, unless there is a breakthrough in agriculture by the middle of October, the leaders of the seven industrialised powers will be unable to meet their pledge.

Anthony McDermott adds: If no progress has been made in the Uruguay Round by the middle of October, the British government is looking to

ish government is looking to Mr Dunkel to make a last-ditch attempt to break a deadlock by putting forward his own pro-

putting forward his own pro-posals, a senior UK govern-ment official said yesterday. This he has been reluctant to do until now.

Progress in talks between the US and the EC on agricul-tural subsidies, which caused a break in negotiations last December, remained the key to an overall success by the cur-rent deadline of tha end of 1991.

Meanwhile, the UK govern-ment remained, on balance, confident that there would be a successful outcome.

It was acknowledged, however, that whatever happened in US-EC meetings in Brussels yesterday, there would be little chance of activity or progress until the second week of September - leaving "seven or eight weeks in which to make or break" the Uruguay Round.

## German engineering sees fall in orders

By Andrew Fisher in Frankfuri

GERMANY's machanical engineering industry, one of the country's main exporting sectors, has suffered one of its steepest ever falls in new for-eign orders, the industry association (VDMA) said yesterday. In the first half of 1991, new foreign business showed a drop of 21 per cent in real terms,

with a rise of 4 per cent in domestic orders, much of this reflecting demand associated with economic reconstruction in east Germany. The drop in total orders was 9 per cent.

(The figures cover west German companies only.) The poor order news illustrates difficulties faced by Ger

trates difficulties faced by German exporters when imports are soaring because of demand from east Germany.

"The present collapse in foreign demand is greater than in past periods of economic downturn," the VDMA said. This had been caused by recession abroad and the past weakness of the yen and the dollar. Demand had fallen in the US and west and east Europe.

## Pentagon plans to sell 20 F-16s to Morocco

By Nancy Dunne in Washington

THE PENTAGON has notified Congress of plans for a \$250m sale package of 20 refurbished F-16 fighter jets to Morocco in order to "improve the security of a friendly country."

The sale, following other transactions designed to expense them defences of IIS Guit

strengthen defences of US Gulf allies, will transfer aircraft of 1970s vintage to Morocco from

US Air Force inventories.

The notice to Congress said that Morocco needed the aircraft to supplement an existing fleet of older fighters and thereby to improve the opera-tional capability of its air force. The aircraft would be used in defence of Moroccan airspace es well as in maritime coastal and territorial patrols. It will be more than a year before pilots and mechanics can be trained and the sale would thus have no immediate impact on developments in Western Sahara where there had been fighting in the past against Polisario guerrillas.

## Canada-Fras Asean turns to region's trade

OREIGN ministers of the Association of South East Asian Nations last Asean Free Trade Area pro-posal for consideration at the Asean summit in Singapore in

If the proposal is adopted, the Asean governments (Bru-nei, indonesia, Malaysia, the Philippines, Singapore and Thailand) would complete arrangements for such a free trade area by the year 2000. It is intended that it would eventually draw participation from lts neighbours, in particular Burma and the Indochina countries of Cambodia, Laos and Vietnam.

Asean's preoccupation with trade is a historical departure from its 24-year life as a politi-cal bloc. The problems of Cam-bodia have occupled its ener-gies for the past decade and, before that, neutrality between the US and the Soviet Union. Asean officials concede that

the new emphasis on economic integration may not be easy. Previous efforts at promoting intra-regional trade have been more symbolic than real. Thousands of products are covered under a tariff harmonisation scheme called a "preferential trading arrangement," but few (thay aven include snowloughs) matter to the economies of Asean's members. The nature of the members'

onomies is one reason the task of creating a common market is likely to remain difficult. All except Singapore still depend heavily on commodi-ties, especially crude oil, rubber, palm oil and tin, though they have moved increasingly into manufacturing, typically of electronic circuit boards, televisions, textiles, shoes and household electrical goods.

Asean members therefore compete with each other for the same export markets. They also compete for capital investment and technology from the same sources – Japan, Europe, the US and more recently Taiwan and Hong Kong.

For these reasons, economic intardepandence is small. Intra-regional trade has been stagnant for years at between 18 and 20 per cent of total

Assan trade.
The goal of a common market would be to stimulate substantial intra-regional trade flow. This, in turn, rests on axpanding co-operation in three areas, elements of which already exist, according to a Thai official: By promoting joint-venture

industrial production, Asean plans to pool its capital, land and labour so that goods will be able to flow into each other's markets freely. One example, still in its infancy, is called the "brand-to-hrand complementation scheme" for motor vehicle parts. By producing dif-ferent components in separate locations, parts manufacturers scheme, parts manufacturers share a collective market in

After 24 years as a political bloc, the Asian grouping is shifting the stress to free trade, writes Lim Siong Hoon

count the components as local content.

"Growth triangles" are an extension to the idea of pooling resources and in sharing mar-kets. The first of such "trian-

gles" covers the regions of the southern Malaysian peninsula, Singapore and the Indonesian island of Batam. Offshore investments channelled through Singapore are introduced into areas with abundant land or labour in Indonesia or Malaysia.

• The third, and probably the most problematic, area is the expansion of the preferential trading arrangement to reduce trade barriers and harmonise

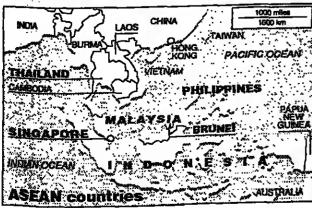
One Asean official sees difficulties in reaching compromises between conflicting national priorities. For instance, rice imports into Malavsia, a net food importer, remain regulated for domestic political and pricing reasons though Thailand has annual rice surpluses. Thailand, in turn, regulates Malaysia palm

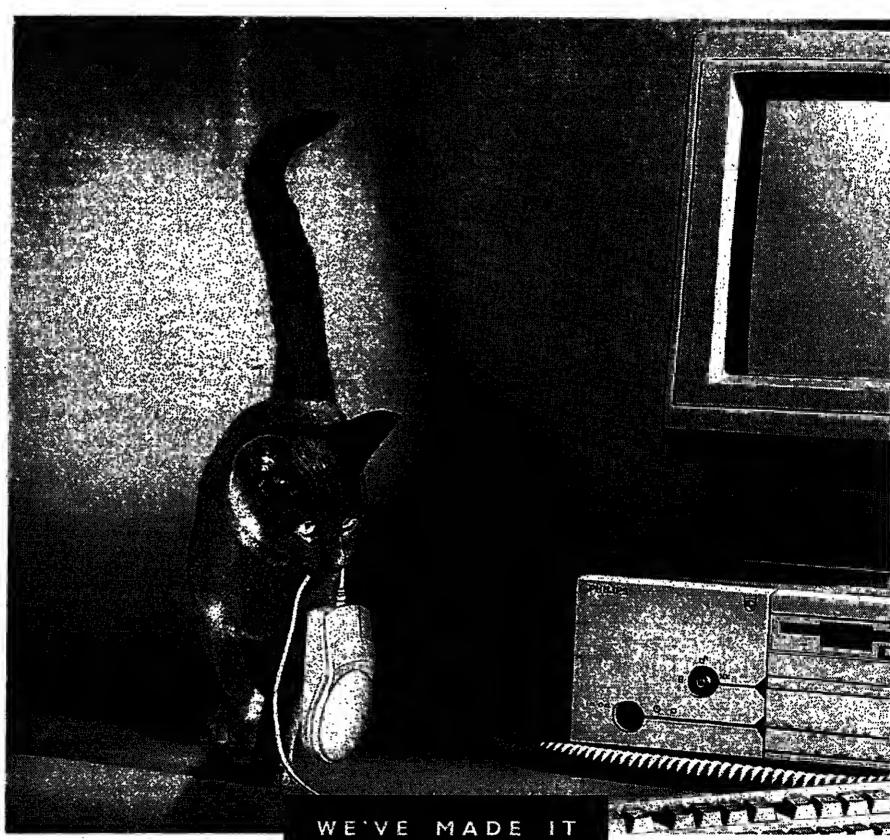
To foster a common market, Asean members face the enormous task of enlarging the volume and shifting greater por-tions of their trade towards each other. There have been big shifts, but these mainly reflect the growth of manufacturing industry. Asean members' combined exports to the European Community rose from 9 per cent of their total exports in 1983 to 15 per cent in 1988, and to the US from 20 to 23 per cent. Japan's share fell from 28 to 21 per cent.

However, the free trade area may have a better chance of coming to fruition than the East Asian Economic Grouping (EAEG), a trade alliance pro-posed by Malaysia. The EAEG was meant to group Asean and its northern neighbours, principally Japan, Taiwan and South

But the idea, which emerged after the failed talks of the Uruguay Round of the General Agreement on Tariffs and Trade last December, languished after being spurned by the US and treated indifferently hy Japan and even some Asean members.
A communiqué issued after

the Asean foreign ministers' meeting in Kuala Lumpur last week said there was a need to examine and advance the pro-posal, but sent it for further study. The US and Canada favour an established though still young grouping, Asia Pacific Economic Co-operation, which includes them.





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**PHILIPS** 

Ruth Richardson: tough on business tax loopholes

holders, those earning up to NZ\$23,000, will receive a lesser subsidy, and will have to pay \$31 a night in public hospitals, while the so-called better off

will have to pay for all their health care, including NZ\$50 a night for treatment in a public

A new superannuation (state

pension) scheme to replace guaranteed retirement income is to be introduced. This will

be income-tested, with the age of entitlement lifted progres-

sively to 65. A universal bene-

Big changes are planned for the public hospital system. All

existing hospital boards were to be abolished from midnight

last night and replaced by four area hospital boards, one cov-

ering the entire South Island.

Ms Richardson also announced

hefty rises in duties on alcohol

fit will be available from 70.

cradie-to-the-grave social wel-fare system last night underwent radical surgery at the hand of Ms Ruth Richardson, the finance minister, in her

She slashad government spending and announced ambitious targets aimed at debt reduction and cutting the bud-

She said bluntly that the budget was designed to trans-form New Zealand by arresting years of chronic overspending by the state. New Zealand's foreign debt amounts to NZ\$52bn (£17.7bn).

The hudget navartheless failed to meet the forecast goal of a balanced budget by 1993.

This financial year's estimate is for a budget deficit of NZ\$1.739hn, reducing to NZ\$528m by 1993-94, while gov-ernment spending is forecast to drop from 42-9 per cent of gross

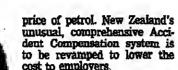
domestic product in 1990-91 to 37 per cent by 1992-93. Critics say the budget ends the century-old social welfare philosophies that were strengthened under the first Labour government in 1938. Ms Richardson said the significant changes being implemented in health, accident compensation, social welfare and superannuation would focus only on those in genuine need.

For everyone else a complex system of "user pays" is being introduced, along with an iden-tity or credit card, to be known as a Kiwi Card. This card will permit information aharing among various government agencies to detect fraud.

It will allow the poorest memhers of society, earning less than NZ\$17,000, to get subsidised health care from hospi-

and tobacco. The savings would go toward the growing cost of motor accidents, as will a two-cents-per-litre rise in the tals and doctors.

A second category of card



State housing for the lower-paid will be subsidised but oth-ers in state home units will face full market rents. Ms Richardson also announced that Housing Corporation mortgages, once they had reached "market" interest rates, would be sold to the private sector.
"We've got to manage the NZ\$7.6bn investment in hous-

ing better," she said.

An extra NZ\$25m is to be spent on education. Ms Richardson said tha present system had failed, with a third of the workforce having no formal qualifications. Foreign invest-ment is to ha encouraged through relaxation of its non-resident withholding tax

regime on interest payments.

This decision will put further downward pressure on domestic interest rates, thereby stimulating invastment and economic growth,"
Ms Richardson said.

She said the government would continue to sell state assets. New Zealand Timberlands, a large area of North Island forest, the Crown's interests on the onshore Taranaki Petroleum field, and the Housing Corporation mort-gages, valued at around \$NZ1bn, are to be sold. The proceeds would be used to repay external debt.

There were no increases in personal tax, or in the con-sumption Goods and Services Tax. However, Ms Richardson announced a tough clampdown on husiness tax loopholes, especially redeemabla preference shares which have allowed big companies to pay minimal tax.

# Now begins battle for new Beirut

Government gets down to rebuilding Lebanon, writes Lara Marlowe

INE MONTHS after the final battle for Beirnt, the Lebanese govern-ment is getting down to the staggering task of reconstructing a country devastated by 16 years of civil war.

While individual Lebanese were quick to repair shell holes, repaint huildings and register new companies, the country's basic infrastructure remains in ruins. Government, meanwhile, has been preoccupied with political and security ovestions.

However, improvements are evident in the banking sector, port and airport facilities and the real estate market. Under the direction of a new gover-nor, Sheikh Michel Khoury, the central bank this year sta-hilised the Lebanese pound, stopped currency speculation and donbled its foreign reserves to \$1bn.

On the strength of political stability and the cessation of violance in the capital, the pound has risen from an all-time low last antumn of 1200 to the dollar to about 895. 1200 to the dollar to about 895. Central bank officials admit that there is "political pressure" to allow the pound — which traded at 2.5 to the dollar before the war — to rise more quickly. But by allowing the dollar to fall no more than half a pound each day, they have prevented the sharp fluctuations which encouraged tuations which encouraged

The International Monetary Fund estimates that Lebanese emigrants possess hetween \$15bn and \$20bn abroad. Frussistem and salum almoad. Frustrated by lack of foreign economic assistance, the government is counting on these funds to re-invigorate the economy. Nearly a third of Labanon's working population fled to the Gulf during the civil war and most are experted. war, and most are expected eventually to bring their exper-tise – and Gnlf earn-

Algerian

opposition

walks out

of talks

By Francis Ghilès

ALGERIA'S two laading

opposition parties walked out of talks called by the govern-ment to discuss the organisa-

tion of multi-party elections. The first round of the elec-

tions was due to be held on June 27 but rioting by support-ers of the leading Islamic fun-dementalist party, the Islamic

dementalist party, the Islamic Salvation Front (FIS), protesting at the gerrymandering of constituency boundaries, led President Chadli Bendjedid to impose a state of slege and appoint a new government led by Mr Sid Ahmed Ghozali.

FIS spokesmen said their party was boycotting the meeting, which was attended by a member of its ruling council. Mr Mohamed Kerrar, in his

Mr Mohamed Kerrar, in his

private capacity, to protest against the government's

refusal to free its detained leaders. The two most prominent leaders, Mr Ali Benhadi and Mr Abassi Madani, were arrested a month ago and are

Representatives of the lead-ing secular opposition party, the Socialist Forces Front

the Socialist Forces Front (FFS), walked out because the government had barred journalists from attending.

Mr Ghozali insisted that the conference had no "undeclared goals, no hidden intentions" and that all those present were there to "resolva the crucial problems of our country", namely the crumining of free

awaiting trial.

ings - back to Lebanon.
The expairiates are cautious, but confidence in Lebanon's fragile peace grows daily. "At first, they were sending a few tens of thousands of dollars," a prominent bankar said. "The past few weeks we have received several deposits of more than a million, and six figure transfers have become

Most of the new money in Lebanon is chasing after prop-erty. Prices have increased 20 to 30 per cent in the past few months. An unfinished, severely bomb-damaged beachfront concrete structure on the southern outskirts of Beirut recently changed hands for the equivalent of more than \$6m. Villas in the ravaged summer mountain resort of Aley are going for upwards of \$1m. Gulf Arabs are huying the most expensive properties through Lebanese intermediaries.

Twenty-three international navigation companies have earned more than Lashn in port and customs revenue last month. But, according to Joseph el Khazen, the port director, this volums represents only half 1974 levels.

Fourteen foreign airlines have resumed flights to Beirut International Airport since the war ended, including Air France and Austrian Airlines. KLM was due to become the

15th yesterday.

After the "black hole" of 1989-90, when months of continuous artillery battles and the division of Beirut brought the economy to a standstill, the exuberance of local entrepreneurs borders on the fantastic. banks and corporations from Hong Kong to Beirut before 1997 and a plan to produce electricity from burning tyres. And a new association aims to impart Lebanese business acuLebanese Pound Against the Dollar (LE per \$)

900

men to tradition-bound Soviet jects, the establishment of the Société Foncière de Centre-1.3m sq metres in Beirut's for-mer downtown area – and a substantial area of landfill on the adjoining seafront - be-came a couse celebre recently because of the participation of Lebanese-born Sandi multi-millionaire Rafic Hariri. To stop allegations that he was "buy-ing downtown Beirut" Mr Har-iri announced that he would

not invest in the \$1.2bn project Mr Hariri's role in the salva tion of his native Lebanon is pervasive if discreet. All of the government's reconstruction efforts are channelled through the Council for Development and Reconstruction (CDR), under the direction of Mr Fadl Chalak - a trusted Hariri aide. Most of the top positions at the CDR are filled by former Hariri employees and it was Mr Hariri who financed a \$5m 18-month

recovery plan. Saudi Arabia has given \$50m to the CDR for roads and sanitation. In 1990, the kingdom

study to serve as a basis for a

non's central bank to shore up the pound. But an Arab League fund for aid to Lebanon has not materialised, nor do Lebanese officials expect fruits from a recent visit by the United

Nations Development Fund. The business community is increasingly exasperated at the slow pace of improvements in basic infrastructure. A Lebanese economist and consultant to the government has identified telecommunications as the first priority if the economy is to recover, followed by electricity, water and the environ-

The Lebanese PTT estimates It will take four years and \$419m to install a functional telecommunications system. The near total absence of working telephones is "a catastro-phe" for the husiness commnnity, according to Mr Adnan Kassar, the president of the

chamber of commerce.

To be able to communicate with the outside world, Lebanese have in recent years pur-chased some 2,200 Cyprus radio lines: lost revenue for the Lebanese government is estimated at \$18m a year.
The lack of electricity - Bei-

rut residents still receive only six hours a day - has been alleviated by private purchases of some 25,000 generator units at a cost of more than \$600,000 in recent years. For \$250m, the government could restore the war-damaged network already

The most costly sector will be water treatment and waste disposal. The CDR has begun cleaning the streets of Beirut, hut rubbish and sewage are still dumped in the Mediterranean - and are washing up along the Lebanese coast. A comprehensive programme for water treatment and waste disposal would cost nearly \$2bm, according to the government consultant.

## Japanese to name more favoured stock clients

By Stefan Wagstyl in Tokyo

SIX MORE Japanese stockbroking companies are likely to bow to pressure from the authorities this week and disclose the names of clients who received compensation for trading losses.

The move would follow the publication of client lists on Monday by the Big Four brokerages - Nomura, Daiwa, Nikko, and Yamaichi.

The securities companies have been forced to disclose the names in order to counter strong criticism from the finance ministry, politicians and the general public about the unfairness of compensating favoured clients for losses. Compensation payments are not illegal in Japan hut contra vene finance ministry rules.

There are signs that the dis-closures will take the sting out of the attacks on the industry and so begin to defuse a scan-dal which has claimed the res-ignations of the president of Nikko and the president and chairman of Nomura. The lists of 231 clients pub-

lished by the big four houses were dominated by big Japa-nese companies and their affiliates, who were together paid Y128hn (£554m). The main interest in the lists, expected to be disclosed by the second-tier companies which paid ont Y35hm, is whether they will contain the names of any poli-ticians or political front compa-

duct

nies. The six houses are New Japan, Kankaku, Wako, Kokusai, Sanyo, and Tokyo. They were urged to disclose lists yes-terday by the finance commit-tee of the lower house of the Diet, which met yesterday to discuss the scandal.

It is widely suspected that politicians, who reaped bumper trading profits during the bull market, were protected from the worst when Japanese could be profit in 1997 and equity prices fell in 1987 and again in 1990-91. But the Rig Four's lists contained no evidence of payments to politi-cians, so there is speculation that the brokers managed to compensate politicians in ways which did not require disclo-

Meanwhile, moves to reform Japan's stock market rules in the wake of a scandal in the securities industry gathered pace yesterday when an advisory council to Mr Toshi Kaifu, the prime minister, pledged to als before the end of next

#### Afghan rebels to ponder peace plan

Afghan rebels agreed yesterday to consider a United Nations peace plan as the basis for a settlement ending the 13-year civil war in Afghanistan, Reuter reports from Islamabad. A joint declaration after two sessions of talks between the guerrillas and two of their main backers, Pakistan and Iran, said the participants "recognised positive points" in the five-point plan.

#### Tehran clashes

Slum-dwellers fought police and municipal workers demol-ishing unauthorised buildings in a Tehran suburb, setting 13 vehicles on fire, an Iranian newspaper said yesterday, Reu-ter writes from Tehran.

## Japanese and US chief executives express their optimism about outlook Poll suggests world economic recovery

GROWTH 1N the world sconomy is likely to pick up in the next year underpinned by a huoyant Japanese economy and recovery in the US, according to a survey of world busi-ness leaders published yester-day writes a Financial Times reporter.

The survey of 151 chief exec-

utives in the US, Japan and Europe found that 52 per cent thought the outlook for their

domestic markets was better

than a year ago, while 42 per cent thought the outlook in

export markets was improving. Japanese executives were by far the most optimistic, with 75 per cent expecting sales in their domestic markets to be better than thay were 12 months ago. The survey, the first of a reg-

ular series of quarterly surveys of world husiness opinion con-ducted for FTTV, the television arm of the Financial Times, found that 56 per cent of US executives thought their domestic sales ontlook was bet-

In contrast the ontlook in Europe seems gloomy, with 27 per cent of executives expecting a sales improvement and 52 per cent assessing the outlook as worse than a year ago.

The poll found that sources of growth were markedly different in Japan compared with the IR and Europe

the US and Europe. About 51 per cent of Japa-nese executives base their con-fidence on the launch of new products, compared with just 33 per cent in Europe and 29

and US executives are far keener than their European counterparts on an economicounterparts on an economically and politically integrated Europe. Three quarters of Japanese executives and 56 percent of US executives favour a united Europe compared with 39 per cent of European business leaders. ness leaders.

However, all business leaders favour a single currency with 66 per cent of Europeans.

73 per cent of Japanese and 91 per cent US executives supporting the idea.

# Australia improves

By Emilia Tagaza in Canberra

its trade

A SLUMP in imports caused by the recession, combined with strong mineral and manufactured exports, has brought about a sharp improvement in Australia's current account position in the past financial

performance

The Statistics Bureau yester day reported a preliminary estimate of a current account deficit of A\$15.3bn (£6.9bn) for 1990-91, a reduction of 31 per cent on the previous year's def-

Tha 1990-91 result is also well below the A\$18bn deficit fore-cast in last year's budget. The rise in exports despite the continuing depressed prices of Australia's traditional

impressive trade performance during the year.

It vindicates the past five years of painful restructuring of the country's industry to promote non-traditional manufactured exports.

rural exports underpins the

Rnral exports during tha year fell 9.3 per cent, thanks mainly to a 28 per cent drop in wool and a 25 per cent fall in grain earnings.
In contrast, non-metal manufactured exports rose an

impressive 17 per cent.
Mr John Kerin, the federal treasurer, remained true to his reputation for caution when he said tha favourable figures would not make the govern-ment anything other than restrained in this year's bud-get, expected to be announced

get, expected to be announced on August 20.

"Putting the statistics in the context of the present hadget, what they are saying is that the government and the Australian people are engaged in a long, hard hanl." he said.

He added that further trades in the trades. improvements in the trade account were necessary to sta-bilise external debts, which stood at A\$16.9bn at the end of

Mr Kerin predicted a current account deficit of about A\$18bn in 1991-92.

## First test for Rao as a minister resigns

South India water feud boils over

THE MINORITY Congress government of Mr PV Narasimha Rao yesterday faced its first political test when Mr K Ramamurthy, the minister for labour, resigned from the cabiuet and seemed to be leading a revolt against the central leadership by members of parlia-ment from the south Indian state of Tamil Nadu.

Mr Ramamurthy, who was miffed at not being consulted when the government's new industrial policy was formuindustrial policy was formulated, resigned over a 25-year-old dispute concerning the sharing of the waters of the Cauvery river between Tamil Nadu and Karnataka states.

Mr Rao's troubles could grow if the revolt spreads to other members of parliament from Tamil Nadu, a atate where a regional party, the All-India Anna Dravida Mumetra Kazagham (AIADMK), is in

Kazagham (AIADMK), is in

The AIADMK is an ally of the Congress hut the entire population of Tamil Nadu is worked up over the Cauvery water issue. The support of the

13 members of parliament belonging to the AIADMK is vital to Mr Rao.

In a statement to parliament on his resignation, Mr Rama-murthy complained that "justice has been continuously denied to the people of Tamil Nadu. This is a highly emolife-and-death problem for the

people."
Tamil Nadu wants Karnataka to abide by a tribunal'e ruling that it should release more water from the dams it controls on the Canvery. Karnataka has passed an ordi-nance which it says overrides the tribunal's decision.

Ironically, only minutes after reporting Mr Ramamurthy's resignation, the United News of India said good monsoon rains had temporarily resolved the problem. Cauvery water was flowing over the Karna-taka dams and had reached Tamil Nadu, the agency said.

Mr Rao's government had
earlier decided to refer the entire issue to the Supreme Court for its opinion.

## Bangladesh reforms aim to woo foreign investment

By Reazuddin Ahmed in Dhaka

BANGLADESH yesterday

announced a deregulation policy aimed at reviving its stagnant industrial sector and encouraging foreign invest-

The new government of the Bangladesh Nationalist party, headed by Mrs Khaleda Zia, is committed to a market econ-omy and has increased the limit of equity participation by foreign entrepreneurs from 51 per cent to 100 per cent.

new industries and the invest

Industry ministry officials have said that the country's donors, including the World Bank, had been pressing the government to adopt a liberal industrial policy as a precondi-tion for releasing industrial loans to Bangladesh.



A Kuwalti soldier takes cover as he blows up a beach-side bunker filled with rocket-propelled

The policy also seeks to expand the growth of export-oriented industries and to strengthen the small industries sector to provide employment in rural and semi-urban areas Bangladesh has liberalised the procedure for setting up

ment cailing has been raised from 100m taka (£1.48m) to Tk300m in the private sector.

Private investors will be abla

to establish industries without any prior approval from the government. Bangladesh is predominantly an agricultural country and the contribution of the industrial sector to gross domestic product has been stagnant at 10 per cent for two

problems of our country", namely the organising of free and fair general elections.

Nearly 6,000 people, most of them FIS activists, have been arrested under the state of stege following their leaders' call for a holy war to topple the government and open defiance of the curfaw.

An FIS congress last week confirmed its support for the leadership but the party is still divided between hardliners

leadership but the party is still divided between hardliners such as Mr Abdelkader Hachsmi and the more moderate Mr Said Guechi, who feels the party of which he is a founding member would be well advised to talk to the government.

# De Klerk cabinet calls up pro-reform party liberals

By Philip Gawith In Johannesburg

THE humiliating demotion of two senior cabinet ministers, General Magnus Malan and Mr Adrisan Vlok, in President FW de Klerk's cabinet reshuffle has distracted attention from the arguably more important infusion of new talent.

The four new ministers in the cabinet are Mr Leon Wessels, who takes over at planning and provincial affairs; Mr Roelf Meyer, who succeeds Gen Malan as minister of defence: Mr Sam du Beer, who takes over black education; and Mr Piet Marais, who takes over white

Within the context of the National Party, these men are all unquestionably liberal - "new Nats" who have little sympathy for or allegiance to the white suprema-cist party of old. Mr Marais is, at 58, older than the others who are all in the 44.46 age group. The four men also share a com-

mon background: Mr Meyer and Mr Wessels served successively as president of the Afrikaner Studentebond, a govarnment supporting Afrikaans student body, between 1970 and 1973, while Mr de Beer was an executive office bearer a few

Mr de Beer was trained, and later served, as a minister of religion, the others are all lawyers by training.

Roelf Meyer: Elected to parliament in 1979, he has been a deputy minister since 1986 when he was at law and order. Subsequently he has been in constitutional development where he has been a senior player in the government's negotiating team. The priority in his new job

will be to try to clear the name of the Defence Force, particularly con-cerning allegations that it is involved in anti-ANC violence in

the country.

• Leon Wessels: Elected to parliament in 1977, he has served as deputy minister of both law and order and foreign affairs. He earned widespread praise for being the first gov-ernment minister to unequivocally condemn apartheid, and apologise for it, at a conference in Oslo last His new portfolio confronts him

with the sensitive question of squat-ting near urban areas. He can be expected to accelerate the process of making available more serviced land in these areas.

Sam de Beer: Elected to parlia. ment in 1974, aged 29, he was appointed deputy minister of education and development aid in 1984. He earned a reputation as a good listener and negotiator during this period when he was involved in dealing with crisis conditions in black education.

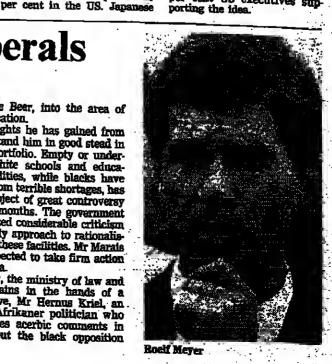
His star waned somewhat when revelations were made about cor-ruption in his department in 1989. The cabinet reshuffle of that year did not see him enjoying promotion to a general affairs cabinet portfolio, as with his other young colleagues. He appointment was only for the white chamber of parliament. The latest appointment appears to mark his rehabilitation.

Piet Marals: Elected to parliament in 1982, he was appointed deputy minister of education and development aid in 1989. This took him,

like Mr de Beer, into the area of

black education The insights he has gained from this will stand him in good stead in his new portfolio. Empty or underutilised white schools and educa-tional facilities, while blacks have suffered from terrible shortages, has been a subject of great controversy in recent mouths. The government has attracted considerable criticism for its tardy approach to rationalis-ing use of these facilities. Mr Marais can be expected to take firm action

in this area. However, the ministry of law and order remains in the hands of a conservative, Mr Hernus Kriel, an old-style Afrikaner politician who often makes acerbic comments in public about the black opposition





MORE MORE STATES OF THE PROPERTY OF THE PROPER The control of the co

**WORLD ROUND-UP US Senate** committee Size homes as a constraint of the constraint of to conduct inquiry US: The Senate Banking Committee last night became क्यांक्र स्था स्था<del>त</del> the third congressional committee to announce a Section 2 full-scale" investigation into the BCCI affair. Total Bridge The inquiry will focus on why US regulators did not act UAE: A United Arah Emirates finance official has criticised ar in mari the Bank of England and - Cayments & described as stopid the closure of BCCI by foreign monetary 4: Lett 3 52 - mag (2) "Malicious hands and

Little: points. 1 2 TEME: Maleria, esta e COMMENTS OF STREET 2. This ! A SET! and the state of t Action Sections with and to Mr in ries took stupid decisions as a result of this crisis which should not have been taken. They should have referred first to the shareholders." Afghan rebekt

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Tehran dashs The contract of the contract o

Last December, the central bank ordered BCCI to gradnally wind up its operations by the end of 1991 because it falled to meet minimum capital requirements. The government decided to speed up BCCI's closure to remove any shadow of doubt over its relationship with the bank.

# Postponement raises hopes

THE High Court's decision to postpons the winding up of bank been wound up immediately they would have received come as welcome news to the stricken bank's thousands of smaller depositors in the UK. It haves them with nothing

more in the short term than they would have received from an immediate winding up of the bank but it at least raises the hope, however remote, that the bank will be saved in some the bank will be saved in some form. Whether parts of BCCI can be revived will become the subject of intense acrutiny during this anomer and autumn. Sir Nicolas Browne-Wilkinson, the vice-chancellor, granted the extra time to enable Touche Ross, the bank's provisional liquidators, and the majority shareholders, Sheikh

majority shareholders, Sheikh Zayed bin Sultan al-Nahyan and the Ahn Dhahl governmeet, to explore ways of reviving BCCL

ing BCCI.

The immediate beneficiaries will be 39,400 small depositors, who will get back three quarters of their deposits, with a ceiling on compensation of \$5,000. Those are the terms they would have received had the bank been put into immediate liquidation, invoking the UK's deposit protection schems. About 9,000 larger depositors are actually worse

unknown institutions aiming

at destroying every Arab achievement is behind the BCCI crisis," Mr Janar al Fir-

dan, assistant under secretary at the UAE finance ministry,

told the London-based Asharq

"It is an unusual act of sabo-

tage and the Bank of England

was hasty in taking its mea-sures," be said. He continued: "Some coun-

The Abu Dhabi shareholders say they were in the process of restructuring BCCI when the

Bank of England closed the

British operations of the bank

on July 5.

LUXEMBOURG: The country's bank union said the July salaries of employees of the Luxembourg-based BCCI had not been paid in spite of a commitment by management.

The union also said it was

"deeply concerned" about the retirement fund for the 60 staff. BCCI employees in Luxembourg appealed to the authorities earlier in July for the

release of LFr25m deposited by employees with the bank. ARGENTINA: The Buenos Aires branch of BCCI was closed yesterday, five months earlier than planned.

on July 5.

al-Awsat newspaper.

up to £15,000 each. The bank's employees come out as clearer winners. They
will continue to be paid weekly
in advance, with a first payment to be made today to cover

two weeks' pay.

A longer-term solution depends on restoring BCCI's business, and the prospects for

that remain dim.

One of the unanswered questions behind yesterday's move is why Sheikh Zayed should wish to put up £50m to postpone the day of reckoning. While phllanthropic and face-saving considerations must have played a role, he would have to make e far bigger commitment if he really wanted to keep the bank going. ger commitment if he really wanted to keep the hank going. Although the true financial condition of BCCI is far from clear, all the evidence to date suggests that it is deeply trouhled. Touche Ross estimates that it had a capital deficiency of \$147m at the end of lest

of \$147m at the end of last year, since when it has probably got worse. The Bank of England produced figures suggesting e defi-ciency of \$600m, and that excludes the \$4bn of bad loans

Dhabi has taken off the bank's hands. Thus any attempt to rescue the bank would need e rescue the bank would need e massive capital injection of possibly more than \$2bn to plug the deficit and give the bank enough new capital to rebuild its business. It would also require Abu Dhabl to take on the bad loans permanently. The shelkh might be able to afford an outlay of such magnitude if he cared to, although it would amount to a hizarre investment for the sake of a

investment for the sake of a bank with such a blackened

bank with such a hlackened reputation.

The reconstruction would have to be accompanied by the installation of new top management, and a big drive to restore the bank's credihility—all of which would amount to a turnround of annorecedented proportions. Mr Robin Leigh-Pemberton, Bank of England governor, has said be thinks it very unlikely that BCCI can be revived in the UK.

BCCI can be revived in the UK.
Alternetive routes might include the marger of some parts of BCCI with another bank under the Abn Dhabi's control, or the sale of parts of the business to raise new cash. There have been offers for some parts of the BCCI empire, including its Kenya and Swiss

operations. An outright acqui-

sition by another bank would be most unlikely because of BCCI's poor condition and the

taint of fraud.

Yesterday's High Court decision relates only to BCCI SA, the Luxembourg-based banking arm of the group, which controls BCCI's UK hranches.

BCCI SA also controls operations in 12 other countries including Bahrain, the UAE, Japan and Germany. Much depends on which, if any, parts of that arm of the group figure in a possible reconstruction by the shelkh. BCCI had been working on a plan, before its closure, to break itself into three units, based in London, Hong Kong

based in London, Hong Kong and Abu Dhabi. At least the first of these operations now seems unlikely to be revived.

The sheikh's move may only amount to a play for time. The money he is making available in the form of a least the first of th is in the form of a loan, not a At the end of the four-month adjournment, though, the demand for a solution for the bank's depositors will not have

"By the time December approaches, the pressure to do something will be even greater," said Mr Antony Gold, a adicitor at Alexander



Poster protest: demonstrators gathered outside the High Court in London yesterday before the start of the hearing about the winding-up of BCCI

Tatham, the lawyers co-ordina-ting a national depositors' group, "There still doesn't

purpose in trying to breathe life into this bank in the long term." Touche Ross saidclaim forms would be sent to UK

A number was given for any-one having difficulty filling in

**US EXPOSURE** 

### Effect on other banks is likely to be small

By David Lascelles

THE disclosure in Monday's New York indictment against BCCI that American Express Bank had an exposure of \$30m (£18m) to the bank was an indication of the depth of BCCI's involvement in the banking

The indictment said that the US bank had more than \$12.9m in foreign exchange trades \$10m in non-collateralised placements, and \$6.9m in letters of credit and accep-tances with the BCCI group. All those sums had been stolen by BCCI, the indictment said. American Express confirmed the figures but emphasised that it had loans and deposits of a greater amount from BCCI which it had used to offset the

The banking authorities have emphasized that the closure of BCCI should not have a big knock-on effect in the inter-bank market - the usual fear when hanks collapss because exposures are small.

Total interbank commitments to BCCI amount to

about \$2bn, they say, which is not large for a bank of BCCI's size - its assets totalled \$20hn at the closure.

Many large banks have also said that they kept their expo-sure to BCCI under tight con-trol because of the bank's doubtful reputation and fre-quent involvement with controversy. None the less, the clo-sure will have caused tremors in hank treasuries. As in American Express

Bank's case, banks in many countries have a correspondent banking relationship with BCCI because it needed to clear its trades in foreign currencies.
Although banks can ensure

that their books balance at the end of the day, there is always the risk that they will be caught short during the day. The right to offset deposits against loans is also not clearly defined in law. One UK banker pointed out yesterday that offset is only a common-law right in the UK, and any bank that had offset its BCCI assets and liabilities might have a tussle with the liquidator later.

HIGH COURT DECISION

# Liquidation deadline postponed as Sheikh Zayed intervenes with last-minute compensation package

By Andrew Jack

EMPLOYEES AND creditors of BCCI were celebrating last night after the High Court decision to postpone liquidatton of the bank after Shelkh Zayed's offer of a compensation pack-

"We are all delighted," said Ms Runi Khan, of the joint committee representing BCCI employees and cus-tomers, and assistant manager of the

benk's City branch.
"I felt the judge took a very bal-anced view and that justice has pre-vailed. The ruling made the Bank of England look very irrational and fumbling. Now we can look into the possibility of a rescue," she said. "We are very much in favour of a restructuring. I don't see why this whole empire should be wiped out." Mr David Griffin, a member of the accounts support department, was

**US INVESTIGATION** 

WORLDWIDE losses resulting

from the Bank of Credit and

the bank and its founder.

"The S5bn loss estimate was necessarily conservative," said a senior US official involved in the inquiry. "That's how much we think we know about. But reliable sources have told us the actual estimated loss could be as high as \$13bn."

In his indictments, Mr Morgenthau said the hank had used fraud to obtain more than \$20bn from depositors and

used fraud to obtain more than \$20bn from depositors and explained that "much of the bank's capitalisation end assets were fictitious and its backing illusory".

Among those indicted was Mr Agha Hasan Abedi, the BCCI founder, whose extradition from Pakistan is being sought by the Manhattan district attorney. Mr Abedi has responded to the charges by

responded to the charges by saying he is confident he will be exonerated. "I have full faith in God. He has always

ously I'm very pleased," he said. "It gives the staff four months' breathing

Like all employees of BCCI, Mr Grif-fin was forced to open an account into which his wages were paid. It was frozen when the Bank of England closed BCCI. "Financially it's been extremely difficult," he said. "My salary has been tied up, and my cheques and credit cards have been worthless. I've had to borrow from other people." Mr Keith Vaz, MP, co-ordinator of the all-party BCCI group, gloated over the news. "It's absolutely brilliant," he said. "This is the four-month lifel-ine that is needed to save the parts of the bank thet will not die." He called on government ministers to work with the Bank of England in the nego-tiations ahead.

World losses may reach \$13bn

guided me." In Washington, meanwhile, the State Depart-ment said it had not yst received a formal request for

New York grand jury has jurisdiction because BCCI had an agency in New York and elected to be regulated by the state's banking supervisors, he explained.

Most individuals contacted yester-day praised Sheikh Zayed and believed he had acted out of pride and in an attempt to restore his own integrity.

Mr Noel Howell of the Banking

Insurance and Finance Union, which has 200 members from BCCI, wel-comed the ruling and said it would bring relief to the staff. However, he emphasised the need for action on the wider issues of forcing employees to hold bank accounts with their employer, and the EC regu-lations that allow recognition of a

bank in one member nation to count

see how as professionals we have future. But I'm very hopeful. I am sure shareholders will work out some-thing viable.

thing viable."

Mr Mian A. Saleem, the manager of BCCI's Hyde Park branch, said: "The ruling has given us hope. I hope the restructuring will go ahead. Otherwise 19 years of my working life are down the drain. My family life and my professional life are totally shattered."

He said he believed BCCI was being

He said he believed BCCI was being used as a scapegoat. "If the CIA used the bank to finance arms sales, why is the CIA not being indicted?" he said.

Mr Vaz said: "The interim relief for staff and depositors has only been possible because of the generosity of the sheikh, who with no legal obligation has provided the cash necessary across the community.

Employees were already beginning to contemplate the prospects for of the bank over the next four months. "If there is no restructuring, there will be havoc," said Ms Khan. "I don't to satisfy the court. The government,

the Bank of England and all con-cerned should applaud him for what

However, Mrs Anita Kapoor, a shop owner who had more than £25,000 on deposit with BCCI, said: "I hlame Sheikh Zayed. He had no other way out to preserve his credibility. If there was fraud, he has the ultimate responsibility. This £5,000 offer is peanuts." She was glad the bank had not been liquidated, and that the decision might force the Bank of England to regulate banks more effectively in the future.

She remained convinced that she would ultimately regain her money. "You have to be optimistic," she said. "What else can you do? Otherwise you would have nowhere to put your money really except under the mat-tress."

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# Ruler's popularity remains undented

from the Bank of Credit and Commerce International (BCCI) scandal may total as much as \$13hn (£7.78hn), according to US investigators.

The figure is more than twice the \$5bn estimate given on Monday by Mr Robert Morgenthau, the Manhattan district attorney who brought a range of indictments against the bank and its founder.

"The \$5bn loss estimate was meanwhile, the State Department said it had not yst received a formal request for Mr Abedi's extradition. Mr Morgenthau said yesterday the request for Mr Abedi's extradition was being prepared to the state Department said it had not yst received a formal request for Mr Abedi's extradition. Mr Morgenthau said yesterday the request for Mr Abedi's extradition was being prepared to the state of the said it had not yst received a formal request for Mr Abedi's extradition was being prepared. He also insisted that the Manhattan grand jury has jurisdiction over the far-flung BCCI empire, which he called.

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With six days to go to the 25th anniversary of the day he succeeded his eldest brother as the emirate's ruler. Sheikh Zayed bin Sultan al-Nahyan – aged, it is believed, about 75 – chould be researing for a celethe emirate's ruler, Sheikh Zayed bin Sultan al-Nahyan – aged, it is believed, about 75 – should be preparing for a cele-

Instead, he is embarrassed to find that ownership of 77 per cent of BCCI's shares by him-self and his family has placed him at the centre of the imbro-glio over the biggest banking feed in history

glio over the biggest banking fraud in history.
Equally embarrassing, Monday's indictments by the Federal Reserve Board in the US have implicated two of his 19 sons in the affair by suggesting that they were used es nominees for the assembly of BCCT's unlawful stake in First American Bangshayes.

can Bancshares.
Superficially, such dangerous proximity to scandal might seem to augur badly for the popularity of a ruler. Sheikh Zayed's case, however, is dif-

upon adoration.

sheikh Zayed's popularity stems largely from the way in which he has used his country's oil revenues to transform a poor country ekeing out a living from fishing and pearl diving into an easis of prosper-

The sheikh has lavished

The sheikh has lavished money upon the emirate's tiny population, providing its citizens with free, air-conditioned houses, free schools and free health care.

His has also pursued an almost obsessive determination to engineer a "greening" of the desert — a policy evident in the capital, where lush gardens and trees soften what would otherwise resemble an arid Milton Keynes. Milton Keynes.

water."
The sheikh also has a reputation for wisdom and kindness, which, combined with e willingness to receive any citizen with a problem, has left him experiencing none of the calls for democracy that have hundred miles north in Kuwait.

Kuwait.

"In a democracy, you go to your MP with e problem and nothing happens," salys a western expetriate. "Here, you go to the shelkh and he solves it." Inevitably, the BCCI scandal will call Shelkh Zayed's judgment into question. One of the great mysteries of the affair is what made him decide to take such a large shareholding in the bank in March 1990 when its difficulties were already known.

Defenders, however, point out that he quickly dispensed with the services of Messrs Ahsdi and Naqvi, BCCI's founder and former chief exec-

rT IS an inauspicious start to a jubilee year for the ruling family of Abu Dhabi.

ths New York hearing bas costs a lot? People in the west spend their money on whisky. The proposition is, so far, oblivious to the population of th many people out of their

Insufar as popular feeling is outraged by the ruling family's involvement in the affair, say western sources, it will turn against the Bank of England's attempt to pull the plug on BCCI before a rescue could be

Remember, the Middle Rasi is the home of the bazzar, the home of street trading. People here just can't understand why a deal couldn't be struck," says

The damage to hilateral relations, however, is likely to be short-lived. Britain's historically strong relationship with the emirate has left it, if not as well loved as the sheikh, at least well liked.

ferent.

"The shelkh has a vision of founder and former chief executively, once the censors have paid to reports of Arab," says one local. "So it extent of the bank's troubles affair has been forgotten.

mentary BCCI investigation, will testify tomorrow at hear-ings being called by Senator John Kerry, the Massachusetts Democrat who has been investigating BCCI for more than

Also scheduled to testify are Mr Virgil Mattingly, the gen-sral counsel of the Federal Reserve, and Mr William Taylor, the top bank regulator. Mr William von Raah, the former Commissioner of Cus-

toms, will also appear before the Senate subcommittee to discuss his requests for information from the Central Intelligence Agency over BCCL Mr Kerry has also asked the State Department to send an official.

explained.

Mr Morgenthau spent yesterday morning meeting officials of the special BCCI commission of Peru's House of Delegates as well as a lawyer for Mr Alan Garcia, the former Peruvian president, who has denied allegations by the Peruvian commission invastigating BCCI that he used BCCI to siphon \$50m out of Lima. In the House of Representa-tives, the Banking Committee yesterday voted to approve subpoenas for BCCI-related documents ahead of its own

BCCI hearings, set to begin in September. Mr Henry Gonz-alez, the Texas Democrat who serves as chairman of the Banking Committee, said his staff had been examining BCCI's affairs since last March. He called the scandal "a prime

Among the charges contained in Monday's indictment was the payment by BCCI of \$3m in bribes to two top former Peruvian central bankers who deposited funds with BCCI in exchange. Mr Fernando Olivera, who is leading the Peruvian parlia-

STATE OF THE PARTY.

April 1992 W

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Turnover for Collins of Collins o

The High Court remained

that ground.
For Mr. Outhwaite: Jonathan

Rachel Day

## Motor trade faces 40,000 job cuts

1918 "Mitsui Marine" 1991

was \$210 million

Cargo & Transit

Fire and Allied Lines

Personal Accident

By John Griffiths

The UK motor trade and industry faces a further 40,000 job losses within the next year. bringing the total to 68,500 since mid-1990, the Society of Motor Manufacturers and Traders (SMMT) warned yesterday.

The SMMT warning coincided with a prediction from the Retail Motor Industry Federation that 800 franchised dealers will have been forced out of husiness by mid-1992 as a result of the current slump. This represents 10 per cent of the UK's entire franchised

dealar population at the start of last year.

The industry hopes that the job loss forecasts might jolt the government into reducing the large that the start of the government into the start of the st 10 per cent car tax still applied

to all new car transactions. The budget earlier this year has effectively raised tax on

new era of corporate development.

new cars to around 28 per cent, when car tax and 7.5 per cent VAT are added.

The SMMT argues that this is increasingly out of line with major continental markets, and stands increasingly to threaten motor industry investment prospects in the UK if the new car market remains depressed. Tax on new car purchases are 22 per cent in France, around 18 per cent in Italy and Belgium and 14 per cent in Germany.

The jobs warning accompanied an SMMT forecast that the UK motor industry's balance of trade deficit this year will be cut dramatically, to about £1bn-£1.Sbn from £4.6bn in 1990, as a result of an export boom which has resulted in 50 per cent of all UK car production now being sent overseas.

However, the industry is

During the business year under review,

principally supported by domestic demand

resulting personal consumption and in-

creased capital expenditure in the private

Under these conditions, the Company

ontinued in promote "ACCESS 21," a

corporate program it embarked upon in

1989 with the purpose of further strength-

ening its corporate structure. The Com-

pany changed its trade name from Taisho Marine and Fire Insurance Com-

pany, Limited to Mitsui Marine and Fire Insurance Company, Limited with effect from April 1, 1991 and, taking advantage of this opportunity, began a

capital expenditure in the private sector and housing project investment, with

many uncertain factors such as prices in the domestic market, interest rates

and the timing of the business recovery in the United States. We therefore

business environment including implementation of intensified measures to

liberalize restrictions on financial activities and to internationalize these

activities, the gradual aging of the society and the transition to highly

information-oriented society. It is very important for the Japanese non-life insurance industry to cope with the difficulties arising from this changing.

The Company shall strive to further improve its results of operations,

based on the belief that there shall be opportunities for facilitating growth in

the changing conditions discussed above. For this purpose, while actively

promoting, among other things, development of new insurance products,

improvement of its customer service system, enhancement of its investment

abilities and the expansion of its increasingly advanced information system.

the Company intends to further strengthen its corporate structure through its

Innovative types of insurance products including Nursing Care Expenses

Insurance with Maturity Refund (Big Well), Long-term Safety Life Accident

Insurance with Maturity Refund (Big Shot), Workers' Comprehensive Insurance with Maturity Refund, Income Compensation Insurance with Maturity

Wide) - a commemorative product for the change of the Company's trade

name which improved the existing insurance product --- were marketed to

satisfy diversified needs of customers. The Company also took an active

its agency network and refining its claim handling system, while also

devoting its energies to enhancing customer services by starting the

"homebelper" introduction services and improving various types of security

In addition, the Company worked to improve its asset management system

by further expanding and increasing its organization and personnel as well as

by establishing a second overseas investment advisory Company in Hong

Kong, with a view to responding to growing financial liberalization and

internationalization. At the same time, it made advances towards improving

its information system in order in cope with the highly information-oriented

sales activities according to the character of each overseas market, monitoring profitability in each local area, and reinforced its business system through,

among others, capital investment in local insurance companies, improvement

and amendment of its overseas business structure and increasing the number

All further notices regarding the above issue will refer to both names.

In the overseas insurance business markets, the Company promoted its

interest in, among other things, improving its business network, strengthening

The non-life insurance business is experiencing substantial changes in its

plan to act with attention to these future developments.

efforts to elevate the level of managerial efficiency.

**Current Year Results** 

and disaster prevention services.

of overseas offices.

Cash and cash items \_.

and agents' balances

net of depreciation.

Total.

Deferred policy acquisition costs

Assets

Japanese economic growth is expected in slow mainly in the fields of

re economy continued to expand

warning that with most major continental markats now in decline, this performance is unlikely to be sustained.

According to the SMMT fig-ures, vehicle and component manufacturing companies will account for 15,000 of the looming job losses. The projection is based on a survey of intentions by 50 companies who between them account for 70 per cent of employment in the manufacturing sector. That leaves a projected 25,000 job losses in the motor retailing and distrib-utive trades, with about one in ten salesmen likely to lose

their job. During the past year, according to the statistics, 16,500 jobs have been lost in vehicle and component manufacturing, and 12,000 in the retail motor trade. Some 400-500 dealerships have already either been closed

As a result of the above measures taken to improve business, with respec

to premiums written, the total net premiums written on all lines of business

amounted to \$3.457 million, an increase of 9.5% over the previous year, total

sets increased by \$28 million to \$26.029 million and not income for the year

The Company made a free distribution of shares, as of May 15, 1991, to

As a result of the Company's continuous efforts to expand and strengthen

Ongoing efforts to strengthen and broaden our customer base led to a

The Company sought to increase demand for its insurance and promote

sales and marketing, centering its efforts on the categories of Long-term

Comprehensive Insurance, Householder's Comprehensive Insurance and

Storekeeper's Comprehensive Insurance, This contributed to a 6.9% increase

in net premiums written compared with the previous year. The net loss ratio

increased compared with the previous year, due to typhoon and other factors.

on sales of insurance policies of Personal Accident Insurance with maturity

Refund. However, the net premiums written decreased by 2.6% compared

with the previous year. The net loss ratio decreased compared with the

The Company continued to undertake promotional activities mainly in the

category of Special Automobile policy, availing itself of growth in sales of

new automobiles. This enabled the Company to increase the net premiums

written by 11.3% over the previous year. Principally due to increase in the

number of accidents which required the Company to pay claims arising from coverage against damage to policyholders' vehicles and property damage, the

The Company strove to expand to expand and strengthen its sales network

The net premiums written marked an increase of 26.0% over the previous

Care Expenses Insurance and Workmen's Compensation Insurance attribut-

able to newly marketed Nursing Care Expenses Insurance with Maturity

Refund and Workers' Comprehensive Insurance with Maturity Refund. The

Following the accelerated speed of internationalization or even globalization

of our clients, we have continued to expand and strengthen our overseas

During the business year under review, we set up five new overseas offices

mainly in Europe and Asian Regional Headquarter in Singapore, Furthermore, we established 100% owned subsidiary "Taisho Marine Fire Insurance

(Asia) Pre. Limited\* in Singapore which took over our branch operation there. In Thailand, we secured our additional facility to the current branch operation

The Company sought to diversify investments and raise efficiency in

(Dollars in thousands)

\$1,114,617

1,966,284

8,393,716

5,606,652

1,308,554

7.611.447

1991 \$1,129,425

2,182,114

4,965,908

1,391,397

6,914,184

\$26,029,411 \$26,001,270

stments, principally in respect of loans and bonds. However, in the aust

investment climate reflecting the continued credit squeeze policy and still

sluggish stock markets, net investment income slightly decreased by \$8

million to \$351 million compared with the previous year.

and to undertake promotional activities in this category, which resulted in a

5.9% increase in the net premiums written compare with the previous year.

The net loss ratio decreased compared with the previous year,

net loss ratio decreased compared with the previous year.

net loss ratio increased over the previous year.

Compulsory Automobile Liability

Overseas Business

by investing in a local company.

Liabilities and Stockholders' Equity

Investment deposits by policyholders .....

Accrued income taxes .....

Losses and claims

Uncarned premiums ....

Stockholders' equity

Total ....

(Dollars in thousands

1.129.057

379,234

915,404

555,071

Notice of Change of Name and Place for Stamping

European Depository Receipts (the "EDR")

Notice is hereby given to the holders of the EDRs that Taisho Marine and Fire Insurance Company, Limited changed its corporate name to Mitsui

Marine and Fire Insurance Company, Limited as of 1st April, 1991.

Holders are reminded that the EDR certificates bearing the former name of the Company must be submitted in order to be stamped, from 1st April,

Luxembourgeoise, 43 Boulevard Royal L-2955 Luxembourg. Only the stamped EDR certificates will be of good delivery on the Luxembourg Stock

MITSUI MARINE AND FIRE INSURANCE COMPANY, LIMITED

31 st July, 1991

Notice of Change of Name

US\$200,000,000 3 1/4 per cent. Bonds 1992 (the "No. 1 Bonds") with Warrants attached to the No. 1 Bonds to subscribe for shares of common stock

of the Company (the "No. 1 Warrants"), and US\$300,000,000 3 7/8 per cent, Bonds 1993 (the "No. 2 Bonds") with Warrants attached to the No. 2

Bonds to subscribe for shares of common stock of the Company (the "No.2 Warrants")

Notice is hereby given to the holders of the No. 1 Bonds, the No. 1 Warrants, the No. 2 Bonds and the No. 2 Warrants that Taisho Marine and Fire

Insurance Company, Limited changed its corporated name to Mitsui Marine and Fire Insurance Company, Limited as of 1st April 1991.

The No. 1 Bonds, the No. 1 Warrants, the No. 2 Bonds and the No. 2 Warrants will not be stamped nor exchanged and remain listed on the

Luxembourg Stock Exchange under Taisho marine and Fire Insurance Company, Limited followed by the new name of the Company, Mitsui Marine

A complementary legal notice as well as the Articles of Incorporation of Mitsui Marine and Fire Insurance Company, Limited have been registered

MITSUI MARINE AND FIRE INSURANCE COMPANY, LIMITED

1991, at the offices of Hambros Bank Limited, the Depositary, at The Stock Counter, 41 Tower Hill, London EC3N, 4HA or Krediethank S.A.

1.068.376

1991 1990 ..... \$21,411,382 \$21,954,128

1.337.000

412,142

1.058.369

1.183.951

626,567

\$26,029,411 \$26,001,270

The Company sought to promote its sales activities centering its energies

its business base, net premiums written increased by 14.7% compared with the

previous year. The net loss ratio decreased compared with the previous year.

substantial increase of 10.1% to net premiums written compared with the

previous year. This year also saw a rise in the loss ratio.

shareholders of record as at march 31, 1991 in the ratio of 0.05 share per share

or sold off, according to the SMMT. However, tha RMI warns that the rate of actual dealership closures is likely to

accelerate during the year.
The 68,500 job losses repre sent more than 10 per cent of direct employment in the trader and industry. The statistics emerged as

dealers made final preparations for the start of what in normal years would be an August sales boom linked to introduction of the new regis-

But with even the most opti-mistic assessments predicting sales for the month of only 330,000 units, nearly 100,000 down on 1990 and comparing with just over 500,000 in August 1989, the SMMT is concerned with drawing govern-ment attention to what it sees

## **UK** seeks inquiry on French steel subsidies

By Charles Leadbeater, Industriai editor

THE government yesterday backed British Steel calls for the European Commission to investigate the behaviour of French state companies that could involve state aid being given to the French steel industry.

Mr Peter Lilley, the trade and industry secretary, yesterday wrote to Sir Leon Brittan, the EC competition commissioner, calling upon him to formally examine the proposed deal under which Credit Lyonnaise, the French state owned bank would pay FF12.5bn for a 10 per cent state in Frince 10 per cent stake in Usinor Sacilor, the state owned steel producer and Europe's largest

Mr Lilley has consistently criticised state owned compa-nies for distorting markets through their access to cheap

This was one of the factors behind the so-called Lilley doctrine under which the DTI closely scrutinises take-over bids by state owned companies, many of which have come from France.

Mr Lilley said he shared British Steel's concern that the cash injection would damage competition as steel producers come under financial pressu from the downturn in the European steel market.

Mr Lilley said tha deal would benefit Usinor Sacilor at a time when market conditions would discourage the pri-vate sector from making similar investments in the steel

The deal might provide Usi-nor Sacilor with finance not available to a private sector company such as British Steel, breach the Commission's steel aid codes and endanger multilateral talks on steel trade, Mr Lilley said. "Given the sum involved

and the potential distortion of competition in the steel industry that this poses, I very much hope that you will ask your services to do a thorough investigation of the deal," he

Commission officials have already indicated that they are by London's Hillingdon Council which is proposing informally inquiring into the terms of the deal.

## **BRITAIN IN**

## Mercury confident on access fee

Mercury Communications, a subsidiary of Cable & Wireless, does not expect to pay any fees to gain access to BT's telecommunications network over the next five years, under the terms of last week's deal between BT and Oftel, the telecommunication

industry watchdog.

Mercury believes the deal,
which settled how much competitors should pay for being able to use BT's network, should underpin its position at the focal point of a group of companies challenging BT's predominant position.

#### **Boost for trade** fairs in US

Government support for UK increased as part of a drive to raise visible exports to a market forced into second place last year by Germany. In an announcement to be made tomorrow by the

Department of Trade and Industry, support in the form of the cost for the stands and help with fares for new exporters, will be increased from three to five times in that market, provided there were not more than three applications in one of the trade regions - west, mid-west and north-east - of the US, as designated by the DTL

Council-plans house transfer The largest ever transfer of council housing into the control of a housing association is being planned 14,000 homes to a specially created association.

The transfer, which this week won approval from the Environment Department. would be the most radical move yet taken by a council to restructure its housing provision using the 1988 Housing Act.

#### School reports to be published

The annual performance of schools in England and Wales will be published in local newspapers under proposals for a "parents' charter announced by Mr Kenneth Clarke, education secretary (pictured).

Schools will also be obliged to undergo regular inspections, but will be free to choose their inspectorates from a range of independent teams. The league tables will be based on school attendance records, their public exam and national curriculum test results, and the destination of their leavers.

#### New facility for IIP initiative

The government has set up a central facility for the dministration of its new Investors in People initiative, IIP, which will be formally launched later this year, is a scheme which the government originally intended should be delivered by the 82 Training and Enterprise Councils in England and Wales.

#### BAe to close factory

British Aerospace is to close its aircraft maintenance unit at Prestwick in Scotland on November 1 where 139 staff are employed. The staff work parcels airline TNT, which requested that the maintenance work be moved to a site closer to its own base in Luton, Bedfordshire.

#### Mortgage arrears rise

Mortgage arrears among homeowners rose to just under 5 per cent of all mortgage balances by the end of last year, according to the annual report of the Building Societies Commission. However, the Commission says that the recent fall in interest rates should bring some relief to borrowers.

#### Union merger gets nearer

A new moderate teachers' union, rivalling the National Union of Teachers in size, may be in place by next summer, the general secretaries of the two unions involved in merger negotiations have indicated

The 135,000-strong Assistant Masters and Mistresses Association, and the Professional Association of Teachers, with 39,000 members, have set up working groups to negotiate a merger

#### Tour groups make profit The top 30 UK package tour

compenies last year made an aggregate pre-tax profit of 240.3m last year, according to figures released by the Ctvl. Aviation Authority. The CAA, which licenses all holiday which licenses all holiday companies who include charter air travel in their packages, says the profits came after an aggregate loss of £100,000 in 1989.

#### Thatcher to head university

Mrs Margaret Thatcher, the former prime minister, is to succeed former lord chancellor. Lord Hailsham, as chancellor of the privately run University... of Buckingham next March.

## Tower birthday

Blackpool tower, Britain's most famous seaside landmark, celebrated its centenary. Schoolchildren from all parts of the world also gathered at tha tower, the UK's sixth most popular tourist attraction.

## FT LAW REPORTS

## Underwriter can appeal from arbitrator's Convention award

HISCOX V OUTHWAITE House of Lords (Lord Mackey, Lord Chancel-lor, Lord Keith of Kinkel, Lord Brandon of Oakbrook, Lord Ackner and Lord Oliver of Ayl-

merton): July 24 1991 AN ARBITRATION award is

"made" where the arbitrator signs or executes it, irrespective of where the arbitration took place. And if the award made in a foreign country which is party to the 1958 New York Arbitration Convention so that it is enforceable as a Convention award in the UK, the English court nevertheless has jurisdiction to hear an appeal from the award if it was made under English law.

The House of Lords so held when dismissing an appeal by Mr Richard Outhwaite from a Court of Appeal decision reject-ing his preliminary objection to the court's jurisdiction to hear an application by Mr Rob-ert Hiscox for leave to appeal

from an arbitration award. Section 3 of the Arbitration Act 1975 provides: "(1) A Convention award shall, subject to the following provisions of this Act, be enforceable (a) in England and Wales ... (2) Any Convention award...shall be

treated as binding ... "
Section 5: "(2) Enforcement ... may be refused if . . . (f) . . . the award . . . has been set aside or suspended by a competent authority of the country...under the law of which it was made...(5) Where an application for the setting aside or suspension has been made to such a competent authority...the court before which enforcement...is songht may ... adjourn the

proceedings..."
Section 7(1): "Convention award' means an award made in . . . a state, other than the United Kingdom, which is a party to the New York Conven-

LORD OLIVER said that a dispute arose as to the liabilities of two Lloyd's syndicates under a reinsurance contract made in 1982. The contract was governed by English law and provided

for arbitration in London. The dispute was referred to Mr R A MacCrindle QC as sole arbitrator. The hearings took

place in London.

A first stage award, a draft interim award and a final interim award, were signed by Mr MacCrindle and witnessed in Paris. When the award was signed it was made available to be taken up at Mr MacCrindle's

chambers in the Temple. On December 10 1990 Mr Hiscox began proceedings in the Commercial Court seeking inter alia, leave to appeal from

Mr Outhwaite raised a preliminary point that the award was a Convention award within section 7(1) of the Arbitration Act 1975, since it had been "made" in Paris, and that the High Court could therefore not entertain an appeal.

Mr Justice Hirst held that the award was "made" in London though signed in Paris, and that the High Court had jurisdiction. Mr Outhwaite appealed. The Court of Appeal said the

award was made where it was signed. It held by majority (Lord Donaldson MR dis ing) that since it was thus a Convention award, the High Court would have had no jurisdiction. By majority however (Lord Justice Leggatt dissenting), it held Mr Outhwaite was estopped from objecting to the jurisdiction. The appeal was

On the present appeal Mr Hiscox sought to uphold Mr Justice Hirst's judgment, and to contend that even if the award was a Convention award, the High Court had jurisdiction. The Arbitration Act 1975 was

gations under the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958. In support of arguments for and against the proposition that the award was "made" in

passed to give effect to UK ohli-

London, counsel referred to the traveaux preparatoires leading up to the Convention. The reference was not of any assistance. There was no real ambiguity in "made"

An award, though the culmination of a continuing process, was not in itself a continuing process. It was just a written instrument, and there was no context for departing from the ordinary, common, and natural construction of "made".

A document was made when and where it was perfected. An award was perfected when it was signed, at any rate in the absence of something in the arbitration agreement or rules requiring further formal-

In Brooke v Mitchell (1840) 6M & W 473 Baron Parke said "it is only necessary that the act should be complete so far as the arbitrator is concerned; that he should have done some act whereby he . . . has declared his final mind".

It could not be doubted that Mr MacCrindle had "declared his final mind" when he signed the award in Paris.

regrettable that signature in Paris should stamp what was clearly intended to he an English award as a Convention award, the conclusion that it did was irresistible.

The Court of Appeal was right to hold it was a Convention award. Mr Colman for Mr Hiscox submitted that nevertheless the English court remained entitled to entertain proceedings to set aside or suspend the award. He argued that the provision

in section 3(1) of the Act, that a Convention award should be enforceable in England, was "subject to the following provi-sions of this Act" which included section 5. Section 5(2) enabled the enforcing court to refuse enforcement if the award has been set aside or suspended by a competent court of the country ... under the law of which the award was made". That was the cur-ial country, which in the present case, was England.

He said the Act contemplated that what was prima facie hinding and unchallengeable before the enforcing court, might be set asida or suspended by the curial court. Mr Sumption for Mr Outh-

waite said first, that the Convention and the Act created a dichotomy between the curial and enforcing countries. He said that in section 5(2)(1) "the country... under the law of which" the award was made, was as much a country other than the enforcing country as was "the country in which" the

award was made. There was no reason why "the country under the law of which" the award was made should necessarily exclude the

enforcing country.
Second, Mr Sumption argued that 5(2)(f) applied only where the award "has been" set aside or suspended at the time when

into question. Third, he said 5(2)(f) could apply only if there was, in the curial country, a competent" authority to set the award aside or suspend it, but section 3(2) said UK courts: were not competent to do anything but enforce the award. Those two arguments would be more formidable if section 5

finished at subsection (2). But it did not. Subsection (5) had to : be taken into account. It was concerned with an ancillary power of adjournment on the enforcing court. It showed that "has been" in 5(2)(f) could not mean literally. has been at the date when the

enforcement/reliance first comes into question". if that were the meaning, subsection (5) could have no possible field of operation. The whole purpose of the subsection was to provide a power of adjournment in tha case of

pending proceedings.

The Convention and the Act clearly contemplated that the curial court might be invested with a supervisory power while leaving a discretionary power to the enforcing court (a) to permit a pending supervisory process to continue, and (b) to refuse enforcement if resulted in the award being

suspended or set aside.
While it was donbtful whether the framers of the Convention contemplated the unusual case of the curial country and the enforcing country being the same, there was no good reason why they should have desired or sought to exclude curial jurisdiction where its continuance would otherwise have been appropriate. There was nothing in the Convention that compulsively led to the conclusion that the enforcing country's curial jurisdiction was to be ignored in all circumstances.

capable of exercising its curial capanie or exercising its curtal jurisdiction over the arbitra-tion and of adjourning any decision on enforceability until the pending proceedings or review had been determined. The appeal was dismissed on ...

Sumption QC and Christopher Butcher (Elborne Mitchell). For Mr Hiscox: Anthony Col-man QC, Jonathan Gilman GO and John Lockey (Pishburg.

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#### UK NEWS

## English councils may get elected mayors

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DIRECTLY elected executive mayors for local authorities are among options for restruct-uring the internal management of councils in England outlined by Mr Michael Heseltine, the environment secretary, yester-

day. The discussion document the third document in the gov-ernment's review of local gov-ernment - seeks to overhaul "nineteenth century practices" and streamline local authority business to promote effective

decision-making.

The document was generally welcomed by local authority leaders, but Mr Bryan Gould, the opposition Labour party's makes wan on the antiron. spokeaman on the environ-ment, dismissed it as e "raging of whim and fancies".

Mr Heseltine said yesterday that changes in management should enhance scrutiny of decisions, increase public interest in local government and enable councillors to develop their constituency role.

Local councils in England, like the rest of the UK, are responsible for delivering pub-lic services such as roads, edu-cation, housing and street-

Some English councils have budgets running into millions of pounds, and they are big employers...yet they all run themselves using practices first adopted 150 years ago.

cleaning which are central to the quality of life. Some of them have budgets ronning into bundreds of mil-lions of pounds, and are substantial employers. Yet they all run themselves using practices first adopted over 150 years ago when councils had far fewer duties and Incomparably

smaller budgets.
Options for reforming the system include:

Changes to the council committee eystem to increase delegation and to reconsider the need for minority representa-

• A cabinet system in which

the majority leader would allo-cate portfolios to council mem-

 The appointment of a council manager to take over the day-to-day running of the

authority.

• A cabinet-style executive, elected separately from councillors. • An elected chief executive

mayor.

Mr Heseltioe also suggested that pay for councillors who took on greater responsibilities would improve management, but he warned that the govern-ment had to be persuaded of the merits of change. Pilot experiments would precede any wholesale change. Different solutions may be appropriate to different author-

Itles; no single management arrangement is proposed for all authorities," he soid. Plans for direct elections could be based on overseas models. Such models are identified by a survey in the discus-

sion document of council struc-

tures in other countries which found that directly-elected mayors are limited to some US citles and Bavarian communes

of council structures in other countries found that directlyelected mayors are limited to some US cities and Bavarian communes

which elect a Burgomaster. The document was given a guarded welcome by Mr Howard Davies, controller of the Audit Commission, the local authority watchdog. The call for councils to experiment to find the most suitable structures to meet their particular needs was a "genuinely inter-esting approach", but he critic-ised the sketchiness of the pro-

Mr Gould, however, said Mr

been printed on the backs of envelopes as that is where it was clearly written."

Mr Tony Colman, vice-chair-man of the Association of Lon-don Authorities, criticised the A survey in the discussion document paper's failure to propose new authority for the capital The Labour run Association of Metropolitan Authorities.

which represents councils in England's largest cities, gave

the consultation paper a cantions welcome. "We welcome the freedom local authorities are promised to choose their own internal management structures," said Mr Jeremy Beecham, AMA chairman. But he accused the government of baing "obsessed" with the structure of local government rather than strengthening its role as part of the democratic process. Mr John Chatfleld, chairman of the Conservative-dominated

Association of County Councils, said: "We welcome the chance to participate in posi-Heseltine's "frantic search for gimmicks means he has never given himself time to find out how local government works.

"The document should have "Editorial comment, Page 12"



Sir Bob Reid: wants railway to resemble Japan's

## **British Rail promises** more efficient service

By Andrew Jack

BRITISH RAIL, the state railway plagued by delays and overcrowding, plans to spend improves, and other finance decade to make the network more efficient, Sir Bob Reid, the chairman, said yesterday.

Annonncing BR's 10-year plan in London, Sir Bob said he wanted Britain's railways to resemble those in Japan -"clean, reliable and respected by the customer".

He said, "We've got troubles with punctuality, we've got troubles with overcrowding". The investment would enable BR to become an efficient and profitable railway, Sir Bob added. The railway had an operating loss of £42m in

1990-91. Plans to build 100 new stations, construct or re-open 60 miles of regional lines, and electrify 150 miles of existing track were among those outlined at the launch of a ten

year strategy for BR.
"We are investing more than film in the current year," said Sir Bob. "It is essential that this pace and progress is sus-tained. A new way of financing the investment will have to be debated over the coming

**NUCLEAR ELECTRIC** 

sources, joint ventures and real estate devalopment, as well as internal funds. He refused to be drawn on how much government money

would be required. However, Mr Malcolm Rifkind, the transport secretary, said that while the government had made investment in British Rail a priority, it could not guarantee the extra monay that would be required over

the next ten years.

BR pledged to issue a booklet for passengers by the end of

BR said it would be spending "bundreds of millions of pounds" on Automatic Train

"Privatisation is [a question] for parliament and for the gov-ernment as shareholder," said Sir Bob,

## Water regulator seeks curb on shareholder dividends

By John Hunt and Daniel Green

THE UK water industry regulator warned yesterday that the water companies could be paying their shareholders too much in dividends, prompting a sharp fall in the sector's share prices.

Ofwat announced that limits on the prices which the priva-tised water companies can charge to customers were to be reviewed in 1994 and reset in the following year by the regu-

Mr Ian Byatt, director gen-eral of water services, made it clear that he expected the companies to operate with a lower rate of dividend growth and a higher proportion of debt.

The news caused a pervous session in water company shares, with most recording sharp falls in heavy trading — Severn Trent fell 5 per cent in less than an hour — although they recovered in the last few minutes of trade ae huyers moved in just before the close. "In future water companies should be able to finance their large investment programme on the basis of a lower rate of return on new investment,"

said Mr Byett.
"I believe that the assumpdividend growth and borrow- This all pointed to a down- ing rates used in setting price ward revision of the cost of it.

limits can all be reduced."
Originally price limits for the companies was set by the government for 10 years up to the year 2000. But Mr Byatt now intends to set new limits after five years - a move allowed for in the companies'

This has been done because Ofwat believes the financial assumpions made at the time the price limits were set by the so-called K factor are no longer appropriate to changed circum-

Last year there was a 16 per cent average increase in water companies' dividends. Mr Byati said yesterday that he sees no reason why investors in the water industry should be rewarded with returns in excess of those generally available in the financial markets.

"On the contrary, there are reasons why they should be content with less given the low risk and ascurity of water Since the initial water company price limits were fixed

the financial performance of the industry had been better than expected, he said. Compe-nies had been able to borrow at better than expect rates

capital when adjustments where made to the price limits. He made it clear that the interests of the customer must be given greater consideration in price setting. Ofwat has commissioned surveys to find out what customers want and expect from their water compa-nies. This will be taken into account when the price review takes place.

"For too many years the industry has been driven by experts and the first point at which the customer has contributed has been when the bill arrives," said Mr Byatt

He said a judgment about what constitutes a reasonable rate of return will be an important consideration when Ofwat sets new prices limits for the

Earlier in the month it was announced that profits in the water companies first year of operation were £1.4hn. This was £238m higher than government expectations before privatination. Last month Mr Byatt com-

plained that a £1.76n capital investment programme for the industry had been underspent by £50m even though house-holders' hills had been increased last spring to pay for

## Textile industry 'under threat'

A SKILLS crisis could threaten the ability of the textile indus-try to compete in international markets by the end of the decade, according to a study of textile manufactura and

this year, setting out their rights and the avenues of com-plaint open to them.

Protection equipment to cover a "substantial part of the network" over the next five to ten

years.
Significantly, there was no discussion of privatisation in the plan.

employment patterns.
The report by Lancaster University says training for textile workers is in a "chaotic state" as the workforce shrinks and

gets older.

The findings "raise serious questions about the long-term viability of textile production." in Britain".

The number of textile employees has fallen by more than half in 20 years to less than 250,000, largely as a result of competition from tha Far

But the report says the bal-ance of advantage has moved

back to European producers as quality and speed of delivery have become as important as price. It also says that British industrial textilee remain among the most competitive in

Labour turnover within the industry was at a virtual standstill during the 1980s, so workforces becams significantly older. The study says mills will experience ecvers competition for young labour as experienced workers begin

to retire. This "represents a major this "represents a major threat to the continued existence of textile manufacture in Britain," because much of the skills training in the industry has traditionally been carried out on the job by more experi-

enced workers.

The study says introduction of night shifts in response to competitive pressures and technological change has increased the proportion of male workers in an industry that has in the past provided large numbers of jobs for women, many of them

Mr Roger Penn, author of the etudy, said companies appeared not to be concerned about the industry's prospects over the next five or 10 years. Since the Textiles Employers' Federation collapsed in the mid-1980s no one else seems to care either."
Management in the mills

studied for the report "seemed unaware of the demographic time-bomb ticking away in their midst."

credit in this year's results.

The company also hopes to introduce a new and cheaper

dacommissioning etrategy which will cut the annual pro-

vision by at least a further

250m.

Meanwhile, operating costs per unit had been cut by 15 per cent, Mr Collier said, giving a cost per unit for nuclear electricity of 4p per kilowatt/bour, compared with a price lest weet of 4 2p. pr. 4 7p. in

last year of 4.3p, or 4.7p in today's prices.
Nuclear Electric'e calculation of its unit costs does not fully reflect the capital cost of its stations, but is the result of

dividing total costs by units produced. Even on this basis, the 4p figure compares with a

## Power company cuts annual losses to £14m

By Juliet Sychrava

NUCLEAR Electric, the state-owned company which operates the power stations of England and Wales, has cut its annual loss from £423m last year to £14m in the year ending March 1991, the company

reported yesterday.

This is the first rung of the ladder," said Mr John Collier, the company's chairman. Speaking at a press conference in London yesterday, he said Nuclear Electric should be judged on its current and not performance.

The although the company's

But although the company's operating results were better than the previous year, it had to keep driving costs down in order to win the confidence of the public and the govern-ment, which will review the future for nuclear power in 1994, Mr Collier said.

Tornover for the year was £2.22bn compared with £2.04bn last year. Half this turnover, however, was generated by the govern-ment subsidy, levied on sales of coal or gas-fired electricity and paid to Nuclear Electric. Operating profit was up by 44 per cent at £328m, and the company made a profit of £126m from its current operations this year, he said.

But this was turned into a



In optimistic mood: John Collier of Nuclear Electric, pictured yesterday, said the company had to push down costs to win the confidence of the public and government

£14m loss by the interest charges on the £8.8bn of liabilities accumulated when it was part of the Central Electricity Generating Board (CEGB).

The liabilities, which are mainly provisions for decommissioning or dismantiling maless stations in the future.

nuclear stations in the future, still dominate Nuclear Electric's balance sheet - which is 23.92bn in deficit, and must be revalued annually. However, Mr Collier said

yesterday, the government had assured the company in a let-ter of comfort that it would meet these liabilities, should they arise.
Meanwhile, Nuclear Electric

paid off 2485m of the debt this year, and expects to continue to do so.

to do so.

Output from the company's power stations both the older allowed the company to revise newer advanced gas-cooled reactors (AGRs), was up 6 per allowed processes and the stations and the significant provision for decommissioning costs downwards by a filterent stations, assuming a first provision for decommissioning costs downwards by a filterent stations, assuming a first provision for decommissioning costs downwards by a filterent stations, assuming a filterent stations.

cent on the previous year, the highest output in their his-tory. Production from the AGRs increased by 4 per cent. This meant that the com-This meant that the company planned to extend the life of the two best AGRs, Hinkley Point B and Heysham 2, by five years, Mr Collier and. This extra revenue allowed the company to revise its provision for decommissioning costs downwards by

cost of around 3.2p per unit for coal-fired electricity.

But because Nuclear Electric is a public sector company which finances its capital costs through liabilities, its 4p unit cost cannot be directly com-pared with that of its campeti-tors, which include the full cost of loan financing for power stations.

Recognising this, Nuclear Flectic recently published fig.

# $\infty$

## **Botswana RST** Limited

Incorporated in the Republic of Botswana

#### INTERIM REPORT

Results of the company and its subsidiaries for the six me	ontils ended 30 Ha	lf-year ended 30 June	Year ended 31 Dec
	1991	1990	1990
Production and sales (metal tonnes)			
Production at mine-metals contained in matte	0	0.467	17 880
- Nickel	8 511	8 467	17 561
- Copper	9 482	9 348	206
- Cobelt	97	89	200
Sales of matte and metals			
- Nickel	8 855	8 974	17 953
- Соррет	9 710	10 045	19 600
- Cobalt.,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	105	93	203
	Ha	if-year ended 30 June	Year ended 31 Dec
	(	Unaudited)	(Audited)
	1991	1990	1990
Consolidated income statement	P000's	P000's	P000's
Sales appropriate inches statement	124 670	118 033	255 917
Operating profit	26 345	29 157	81 325
Royalty paid	(6 070)	_	(11 139)
Interest paid	(2 094)	(23)	(34 180)
Realised currency exchange fluctuations	327	772	2 307
Profit before deferred royalty, deferred interest and			
unrealised currency exchange fluctuations	18 508	29 906	38 313
	(1 240)	(6 355)	(2 480)
Royalty accrued but deferred for payment		(106 836)	(186 459)
Interest accrued but deferred for payment	(117 518)	20 364	1 903
Unrealised currency exchange fluctuations	(151 719)	20 304	1 903
Net loss auributable to the shareholders of			
Botswana RST Limited	(251 969)	(62 921)	(148 723)
Accumulated deficit at beginning of the year	(1 403 222)	(1 254 499)	(1 254 499)
	<u></u>	<u> </u>	
Accumulated deficit	(1 655 191)	(1 317 420)	(1 403 222)
Net loss attributable to the shareholders of			
Botswana RST Limited per ordinary share:			
Pula	(P14.01)	(P3.50)	(P8.27)
Serling	(£4,12)	(£1.07)	(£2.29)
U.S. Dollars	(\$6.70)	(\$1.87)	(\$4.39)
Exchange rates used above: P1 =	£0.2940	£0.3065	£0.2770
P1 =	\$0.4785	\$0.5340	\$0.5310
	Ha	if year ended	Year ended
		30 June	(Audited)
	1991	Unandited) 1990	1990
	P000's	P000's	P000's
Capital expenditure and commitments			
Capital expenditure	12 140	16 743	27 566
Capital commitments	1 127	2 684	1 677
Capital expenditure approved by the directors			
	20 367	15 700	7 385

Review of Operations

Production from the mines at Phikwe, Selebi and Selebi North kept the mill fully supplied. The tormage of ore milled was the second highest recorded for a six month period. The capital development of the Selebi North mine was concluded on 30 June and stoping operations commenced as planned on 1 July. The metallurgical plants generally performed satisfactorily and commissioning of the new electrostatic precipitator, installed to replace the unit damaged in 1989, commenced on 29 April. Metal production was above the level for the corresponding period of 1990 due to the increased tomage of ore milled. Mine costs increased by 12.4% above the level of the corresponding period in 1990 and were 5.1% above the level of the last six months of 1990. The agreements with the Botswana Government and the Botswana Power Corporation, providing BCL with a measure of relief from power charges during periods of unfavourable cash flow, were signed during the period. Sales during the period amounted to 18 670 townes of metal contained in mane.

Nickel prices remained steady during the period and the London Metal Exchange (LME) cash nickel price averaged U.S. Dollars 3.91/lb for the six months. The LME cash Grade A copper price averaged U.S. Dollar 1.11/ib for the four months to April but declined thereafter and averaged U.S. Dollars 1.01/lb during June. The Pula depreciated against a strong U.S. Dollar from an opening value of U.S. Dollars 0.53 to U.S. Dollars 0.48 at the end of the half year.

The operating profit was P26.3 million compared with P29.2 million for the

orresponding period of 1990 and P52.1 million for the half year to 31 December, 1990. After royalties, interest charges and currency exchange fluctuations a loss of P252.0 million was recorded for the 1991 period compared to a loss of P62.9 million for the corresponding period in 1990.

The capital expenditure of BCL Limited (BCL) during the six months under review amounted to P12.1 million and was funded internally. A working capital reserve of P43.0 million was retained by BCL at 30 June, 1991 and P8.1 million (U.S. Dollars 4.0 million) of available cash was distributed in payment of royalties and loan interest in terms of the Restructuring Agreement dated as of 31 July, 1985.

BCL remains vulnerable to weak metal prices as its only immediate source of funding is its working capital reserve. Negociations to conclude arrangements whereby BCL will be given access to concessionary funding of ECU 21.65 million (approximately P51.4 million) to meet certain specified capital expenditure over the next few years have reached an advanced stage and it is expected the arrangements will be finalised during 1991. The finalisation of the arrangements is important, particularly in view of the present uncertain outlook for metal prices. In view of the substantial accumulated losses of BCL, which have led to an extremely high burden of debt, the payment of dividends on the ordinary shares remains remote in the extreme.

Administration Block BCL Mine Site

A. B. McKerron Directors

Selebi Philowo 29 July, 1991

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# The trap is set for hidden waste

By John Thornhill

ost consultants solve problems that are all too easy to identify. lan Harrison makes a living from tackling a problem that most companies do not even recognise exists but which he estimates costs UK manufacturera £6bn a year.

As managing director of Orr & Boss consultants, Harrison advises companies about how they can reduce waste; hardly a glamorous task but one that is likely to assume far greater prominence in these environmentally-conscious and costcutting times.

Many companies, he says, only register the costs of waste in the narrowest of terms. A company will pay attention to the costs of waste disposal and will perhaps introduce energysaving measures - such as switching off all office lights at the end of the day - hut is still likely to ignore other opportumities to reduce costs.

Waste can take many forms which are not immediately recognisable: it can be the residue of paint left in the bottom of a can or over-elaborate packaging that is mindlessly discarded. It can be the costs of dealing with damaged stocks in a warehouse or having a machine working to a set of

imprecise tolerances. And there are also the additional but incalculable opportunity costs of the time and effort it takes to rectify prob-lems, re-order stock and

replace damaged goods.
Waste is largely a matter of
definition. But what is often
elaborately defined as residues,
write-offs, defects or shrinkage by manufacturers is pure and simple waste to Harrison, In some cases, he says, the costs of waste have outweighed the company's labour bill or even

its net profits for the year.

One company that has benefited from a deliberate drive to cut waste is Smiths Crisps, the subsidiary of the giant Pepsico Foods International husiness.

Harrison says such companies have always been reluctant to invest in the most effi-cient manufacturing methods hecause of their high initial cost, "Snack foods are a prod-uct that you never quite know how the market will take. There is a reticence to invest fully in the manufacturing line

ness. "You have to find out what your

likely to find Maxmin's embrace a very different kind of loving from what they were used to in the com-

pany's early halcyon years when the

real Laura Ashley ran the show.

Maxmin's affections will be guided

by market research, financial disci-

plines and management consistency necessary to run a complicated busi-

ness with turnover in excess of £300m

The original style was horn - in the early 1950s - of an altogether

more instinctive approach stemming from the company's origins in the

designs Laura Ashley drew on tea

But the difference in style reflects both the differences in the company

and the trading environment in which Laura Ashley currently finds itself.

In the early years, Laura Ashley and her husband Bernard ran a

highly popular, if idiosyncratic, fashion and fabrics chain which basked in

a rosy glow of public affection.

But sinca then, the damaging effects of over-expansion, misguided

diversifications, and the recession

have combined to dent Laura Ashley's

progress. Although the company has grown substantially in size, tha

group's finances have recently fallen into a perilous state. From a peak pre-tax profit of £23.1m in 1988 the

company swung into a £6.7m loss in the year to January 1991.

Early last year the company very nearly went to the wall after its bank-

ers at first failed to agree among

themselves on the terms of a much-needed refinancing. The company was only saved after the Bank of England

intervened to sort out the squabble.

Having survived such a scary experience, Laura Ashley realised that the

first imperative for the group was to

lutely clear. Wa had to sort out the

been but they were painful nonethe-less. Laura Ashley herself took great pride in the considerate way the com-

pany dealt with staff and in its com-

mitment to Wales, where sha was

born. The company was famed for its

The short-term strategy was abso-

revive its financial health.

early in 1990.

legendary niceness.

and with outlets in 28 countries.

cloths on her kitchen table.

But Tim Raven, operations director of Smiths Crisps, says his company benefited greatly from the additional investment that was needed to reduce the waste at its manufacturing plant for its Quavers snacks.

A team from Smiths worked with Orr & Boss to improve the tensive production process which Raven says was wasting about 15 per cent of the mate-rial used in manufacturing its

because of the risks involved,"

cheesy snacks.

The team changed the specifications of the cutters which cut the raw material into strips a process which is "rather like taking a razor hlade to a jelly baby" – and reduced the amount of drying time to prevent the subsequent cracking of the strips during curing. The amount of material waste was reduced to about 4

per cent. And because of the improvements in manufactur-ing methods, Smiths has made further gains in terms of labour productivity.

Harrison points out: "Most

companies only think about waste in terms of what it costs to dispose of it. But waste reduction gives you additional

capacity."
Smiths' experience is likely to be matched by many other companies. Based on a recent survey of 50 manufacturing companies and its experience across a broad range of sectors, Orr & Boss estimated that manufacturing industry might be wasting £6hn a year in

terms of materials alone. Ironically it can often be the cleanest factories that are the worst offenders. "If you have efficient methods of removing waste then you tend to waste the control of the waste waste the control of the waste waste the control of the waste w more material. If it piles up it registers as a problem," says

But another dimension to the problem of waste is the environmental one. Less mate-rial waste results in less consumption hut this is a connection that is seemingly made by all too few companies.
Although \$5 per cent of companies in the Orr & Boss survey had introduced a corporate environmental policy only 26 per cent of them thought that minimising waste was central to that policy.

t may seem paradoxical that someone who earns his living from persuading people to buy more products should want to encourage them to buy less, but that is precisely what Dieter Rams proposes to do. Rams, who is head of design

at Braun, the German consumer electronics group, is convinced that consumers are bored by the manic materialism of the 1980s. He believes the successful companies of the 1990s will be those that design products which last longer and do not date so that people need to replace them

less often.
"We have too many things in our lives," he says. "There is too much clutter, too much visual and material pollution. One of the main challenges for industrial designers is to create products with longer lifecycles so we can buy fewer things."
Rams is ona of the few

designers whose words really carry weight within his own organisation. He is a doyen of industrial design, whose work at Braun has turned tha the company into an internationally renowned model for design

At Braun the design function follows the Bauhaus ideal of heing integrated with every aspect of the organisation. Ever since Rams joined in 1955 Braun has identified design as a critical competitive advantage in its attempt to overcome the problem of high German labour costs in the intensely competitive world of consumer electronics.

Rams and his 20-strong design team work alongside engineers, chemists, marketing executives and production planners to develop and refine the company's product range. Rams sits on the main board of Braun (which is a subsidiary of Gillette, the giant US group) and reports directly to the

Braun allocates a compara-tively higher proportion of turnover - roughly 4 per cent a year - to product develop-ment. Its designers are involved with every part of the specification of raw materials to the marketing strategy for the finished product.

Braun is established as a world leader in markets such as shavers, clocks, calculators and kitchen appliances. Its design management system has hecome a classic case study in the business school textbooks. The name Braun is now synonymous with good design and Braun has more products than any other comAlice Rawsthorn talks to Braun's Dieter Rams about his approach to designing goods that last

**BUSINESS AND THE ENVIRONMENT** 

# No frills, no spills



Dieter Rams: Wa have too many things in our lives. There is too much clutter, too much visual and material pollution'

New York's Museum of Mod-

Tha Braun designers practise the Bauhaus doctrine whereby "form follows function". Their products adhere to the "10 commandments" of design defined by Rams which range from creating "ansiere beauty" to avoiding "superficial design cliches" and products being 'easy to understand".

The commandments also advocate "ecological conscious-ness" and the creation of sim-ple designs that "help clear up the chaos in which we live". It is these environmental issues that Rams believes will preoc-

pany in the design collection of cupy industrial designers over

the next few years.
One of the chief challenges, according to Rams, is "to aim to make products longer lasting so they stay on the market for 10 or 20 years". He cites the examples of two Braun kitchen appliances - the KM32 food processor and MX32 blender which were introduced in the late 1960s and are still on sale in Germany today.

Rams is convinced that the development of more durable products will encourage consumers to be more discerning about what they buy and to replace things less frequently. At the same time a company

like Braun would be able to reduce its use of raw materials. However, he accepts that, as a commercial concern, Braun needs to bring out new prod-ucts to generate sales. The design team does, he says, come under pressure from the marketing department to adapt existing products and to inno-vate by developing naw ones. But he claims there are sound financial reasons as to

why it could also be in Braun's interest to avoid unnecessary change in its product portfolio hy making sure that its old

lines last longer.

"Financially it is always a risk to hring out a new product," he says. "Second, the longer a company continues with an existing line the less it needs to invest in new plant and machinery."

Product longevity is not the only environmental issue pre-occupying Braun's designers. Another concern is the selection of raw materials. Braun has made progress in some areas. It recently found a replacement for cadmium, the substance that was used to stop white plastics from turn-

"We have always tried to be responsible in choosing our materials," says Rams. "But there are problems. There are still some substances that we are not happy with."

The designers are also con-carned with the environmental

implications of the use and servicing of Braun products. One project is to try to ensure that the kitchen appliances can be cleaned more economically.
Two new food processors, the
MR300 and UK240, were
designed with fewer grooves
and rounded edges so that they are easier to clean.

The integrated nature of the Braun design system means the designers are in regular contact with raw material sup-pliers and are able to discuss such issues with them. Rams sees the struggle to improve raw material selection as "a fight between manufacturers and suppliers with designers in

the middle". One of his longer-term objectives is to set up a system whereby Braun takes responsibility for the eventual disposal of its products. Such a system would enable the company to collect and recycle some parts of the products and to ensure that the remaining parts were responsibly demolished.

"I have no idea how we will do it," he says. "But product disposal is going to become an increasingly important issue in the future. We are going to have to find a solution."

# Aluminium x-ray gets the lead out

FINANCIAL TIMES WEDNESDAY JULY 31 1991

By Kenneth Gooding

he temptation to hide a lump of lead in a bale of used atuminium cans to be soid back to the aluminium industry is one some people find hard to resist. Aluminium is so light com-

pared with other materials and can be worth np to 20 times as much. Lead fresh from the smelter costs only half of what the aluminium industry is offering to get back its used beverage cans. Lead is a very weighty metal so it is favoured by unscrupn-

lous aluminium can collectors. Unfortunately for the alumin-ium industry, it is also the most damaging contaminant. Even the smallest quantity of lead makes the remelted metal unsuitable for new cans. Lead is also hard to separate

because, unlike ferrous metals, It cannot be removed easily from the aluminium by magnetic separators.

Scientists at the CRA natural resources group in Mel-hourne, Australia, claim to

have solved this by inventing a machine Lead is a weighty that sorts recy-cled cans and favoured by rejects any

that are con- unscrupulous It is an aluminium taminated. important can collectors breakthrough because recycl-

ing aluminium cans is a big business that is getting bigger every year. In the US, 56bn used cans were recycled last year and the industry paid \$900m (£540m) for them.

Since it was installed in February, CRA's machine has revolutionised the recycling operation at Yennora, western Sydney, owned by CRA's alu-minium subsidiery, Comalco. The number of rejected used

cans has been cut substantially from the time when the old inspection system resulted in a whole bale of more than 800 crushed cans heing rejected every time contamina-tion was detected.

CRA's new system involves cans being fed through a sorting machine at a production rate of about three tonnes an hour, or 43 cans a second on average. They are accelerated under gravity down an inclined slide plate and pass

through a 400mm wide x-ray beam. If a contaminated can is detected it is rapidly ejected, by a fast-acting pneumatic deflector plate, from the stream of airborne cans leaving the inclined slide plate.

CRA says this system pro-vides sufficient contrast to distinguish impurities ranging from lead lumps to sand and stones from multiple layers of aluminium cans when several pass through the x-ray beam together.

Comalco is paying ahout A\$0.45 a kilogram (46p a lb) for used aluminium cans. It remelts about 685m a year at its Yennora plant and the resulting metal is rolled into fresh can stock or used in other bigh-grade aluminium alloys. Remelting cans takes only 5 per cent of the energy needed to produce new pri-

mary aluminium.

Australia is vying with the US to become world leader in the recycling of aluminium. cans. Last year 62.9 per cent of all such cans

sold in Austra-Ha were recycled (up from 62 per cent in 1989).

Bnt the US regained the lead last year

60.8 per cent to 63.6 per cent. This recovered 877,500 tonnes of metal - which is 2,500 tonnes more than the com-bined capacity of the three largest primary aluminium smelters in the US: Alcoa in Texas and Indiana and Aln-

max's smelter in Washington.
Having established a pattern
in the US and Australia, the
aluminium industry has been
turning its attention to Europe. Last year only 26,000 tonnes of used aluminium cans were recycled in Europe but the recycling rate rose healthily from 16 per cent in 1989 to 20 per cent last year. The European Aluminium

Can Recycling Association says: The US has bad more than 20 years to achieve its present level of recycling. We have been around for a far shorter time. But a 50 per cent recycling rate in western Europe is feasible."

## MANAGEMENT

#### **Embracing customers** ustomers may be in for a lively time when Jim Maxmin, an effusive American businessman with a ready line in marketing jargon, takes over the post of chief executive of the in a different fashion Laura Ashley fashion and furnishings group next month. Maxmin has a surprising remedy for the future of the struggling husi-

ness. "You have to find out what your customera want, give it to them, and just love 'em to death," he says in his educated Philadelphian patter.

Although shoppers will no doubt warm to such an experience, they are litted to find Margin's emphases. John Thornhill reports on the approach of Laura Ashley's new chief executive



Jim Maxmin; obsessive concentration on target customers

But Laura Ashley's financial position left little room for sentiment. In September, the company announced it was to close seven factories with a loss of 1,000 jobs and would source its products from wherever was most commercially attractive. Laura Ashley's operations in Wales were drastically cut back. The head office had already been moved from Carno in Wales to Maidenhead in Berkshire.

balance sheet. We had to sort out the cash and dispose of the peripheral businesses. These steps were all fairly straightforward," says Andrew Hig-Laura Ashley sold its Penhaligon's perfume chain, the Sandringham ginson, the finance director who joined Laura Ashley from Guinness Leather Goods stores and its Bryant of Scotland knitwear business. It also shut down the Units chain of high Straightforward they may hava

street clothing stores. By such measures, the company reestablished its financial footing. And this was further strengthened in November when Aeon Group of Japan took a 15 per cent stake in the com-pany, facilitating a second refinancing with its banks.

But although it had taken steps to sort out the husiness financially, Laura Ashley was still confronted by the problem of how it could take the

business forward in trading terms.

Laura Ashley had rapidly grown from a cottage industry into an international husiness but its management systems and controls were clearly deficient in coping with the demands of the business.

In some respects the company's small-company structure had been a strength. It meant that the shop managers had been highly responsive to customers' wishes and had developed an instinctive feel for what they wanted. To many customera this approach gave the company a refreshingly distinctive feel as managers

could order personalised stock.
"Shouting down the phone was very successful at first but as the business got bigger and went into different countries it became difficult to manage with such direct communication," says Higginson.

The nadir came in 1989 when a hreakdown in communication and controls meant thet Laura Ashley was two months late in shipping its winter collection to the US, thereby missing the start of its critical selling season.

Laura Ashley realised that every area of its business had to be profes-sionalised. Computer and distribution experts were taken onto the payroll and more of the design function was brought in-house. "All the principles of the business are the same as when it was a small company; it is just that we had to have the skills and technology needed to cope with that on a big

A great deal of emphasis has also been placed on developing the mar-keting strategy of the company. This has largely been done by Glenne Gibson, who joined Laura Ashley from Coopers Lybrand & Deloitte, the man-

agement consultants.
"Coming from the outside it was easy to spot thet the company was product-led, not consumer-led," she says. She set about constructing a programme of qualitative and quanti-tativa market research to establish what the customer thought about the

Laura Ashley brand. Last November Laura Ashley undertook market research. Initially 150 25 to 34-year-old women were consulted to find out what they were looking for from the Laura Ashley brand and what they thought of garments, materials and ranges. They were asked: "What do we need to do with our products to turn you on?"

Gibson quickly discovered that they thought Laura Ashley was letting them down badly in terms of styling, cut and fit. There were also whole areas – such as clothes that could be worn to work in offices - on which the company was missing out.

That research gave us a set of hypotheses and assumptions to work with and test quantitatively," Gibson says. "We then put questionnaires out in the stores and got information about current customers, their income, their propensity to spend on clothes, their attitudes to personal fashion and where else they shopped. We had the most amazing response and a buge sample to work with."

Replies were received from 22,000 store shoppers, 10,000 UK mail order customers, and 25,000 US shoppers.

"These enormous samples show the great loyalty to the brand. People wanted it to work. We have to unlock that potential," she says.

The results of that research have been fed back into the design process and have already led to various changes in marketing the goods in the stores. For example, clothes are now designed with a more international market in mind and are displayed in stores according to colour ranges

rather than hy product lines.

Maxmin will no doubt bring fresh impetus to this marketing process. To my way of thinking Laura Ashley is a brand. It is not a retailing company. It is not a fashion company. It is not a production or manufacturing company. I see the management task as simply unleashing the intrinsic strength of that fantastic brand."

Maxmin talks enthusiastically about the opportunities to exploit the brand internationally — whether this is by means of running its own stores or by franchising them, selling its branded products through other retailers' outlets, or simply by adding its name to products - as with bedlinen in the US.

An enormous amount of work remains to be done. But Maxmin clearly believes that the company's role in life is now to concentrate sessively on its target customers. Laura Ashley's sharebolders - who have endured years of frustrations and financial uncertainty - would surely say Amen to that.

## Home is where the terminal is

Andrew Jack reports on teleworking

he number of people working from home is on the rise. Although it is still sometimes dismissed as a futurologists' fad, "telecom-muting" or "telework" now involves more than 500,000 Britons full-time and a further 1.5m part-time.

Modern technology has permitted this liberation to take place. Digital telephone exchanges, modem links, and affordable but sophisticated computers have allowed the staff of large companies as well as self-employed individuals to

as self-employed individuals to work to their own houses, or at sites removed from any head-quarters building.

A new book lists practical steps for implementing teleworking in existing organisations. Steven Burch makes no bones about his position. "My starting point is the conviction that teleorganising can be a starting point is the conviction that teleorganising can be a viable route to lead managers out of structural problems," he writes in the preface. But he also justifiably scorns some of the more rosy projections of the growth in telework.

In the first section, Burns

In the first section, Burns sketches the development of teleworking, and lists some of its implications. Working away from the office is likaly to reduce elements as diverse as union organisation and pollution; conversely, it will boost home deliveries and require different house design.

Perhaps the book's greatest value is in the large number of examples of telework in prectice in the UK. A major objection to tele-

work is the risk of social isolation; staff are cut off from daily interaction with their colleagues. However, Enfiald Council's scheme for its poll tax administrators has uncovered no such complaints. Visits by supervisors (themselves based at homa), training sessions, and phone conversations with colleagues have actually increased human contact. Officials estimate the employees cost £500 to £1,000 a year less

than office-based staff. The author stresses that not all telework takes place from people's homes. In the second section, he attempts to sketch ont a four-part classification, only the first of which involves "lone telework". This is ideal where individuals want to be self-employed. It also works where an organisation with a shortage of skilled lahour needs to penetrate a region as widely as possible, not excluding anyone who might be dis-suaded by having to commute.

Secondly, there are "tele-outposts" where staff are grouped together in their own local office. This greatly reduces commuting time while avoiding the problem of social isolation. Some outposts are very large. Lloyds Bank has a remote centre for 110 word processing staff in Nawton Aycliffe, for example.

Frustratingly, like most of Burch's case studies, there is not quite enough information. The friendly environment, ease of recruiting new staff and the nature of the job – unimpeded by many normal office interruptions – has boosted productivity, he says. But there is no indication of how great

these gains are.
His third category is "telecoops": remote working centres managed autonomously which act as subcontractors to one or more companies. Finally, there are "tele-organisations". a rather more opaque category including companies which have developed entirely around teleworking, without the conventional constraints of huild-

The final section in the book attempts to guide managers trying to launch their own telework schemes. It touches on tax, insurance, health and safety, and union issues. He suggests that the most important characteristics for teleworkers are self discipline and self reliance

The jobs best-suited to tele-work, he argues, will be those with least demands on hulky equipment, storage facilities or human interaction; whose productivity can he easily measured, and which involve large amounts of uninterrupted

However, at the end of the book, the reader is still left wondering whether the case for telework has been proven What are the tangible, numerical benefits of telework? Why are so many companies reluctant to implement schemes? The practitioners still await more rigorous analysis.

\*Teleworking: a strategic guide for management. Kogan

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# he lead out Television Television Close-up on the sporting finish Che and disinfectant which is such be certifiable to go out into the letes such as McKean e Whittle come in from e fast which is and plains of whittle come in from e fast which is not plains of whittle come in from e fast which is not plains of whittle come in from e fast which is not plains of whittle come in from e fast which is not plains of whittle come in from e fast which is not plains of whittle come in from e fast which is not plain to the certifiable to go out into the letes such as McKean e whitele come in from e fast which is not plain to the certifiable to go out into the letes such as McKean e whitele come in from e fast which is not plain to the certifiable to go out into the letes such as McKean e which is not plain to the certifiable to go out into the letes such as McKean e which is not plain to the letes such as McKean e

So "Cortly is better in the flesh", is he, and the way to appreciate a sporting occasion properly is to go along to the event and buy o ticket? That was the assertion made by Teresa McLean in this column last month while I was on heliday esa Melean in this countil that month while I was on holiday. Next thiog you know someone will be telling us to reod "Great Expectations" instead of watching it on the box, and advising us that "La Bayad-ere", which you can see on ITV lomorrow is even hetter if watched at Covent Garden. You could, of course, have travelled to Edgbaston at the weekend, bought a ticket, and number with all those people io Union Jack tee shirts with knotted handkerchiefs on their heads. We know they were there, those of us who stayed in the cool of our rooms watch-In theory Teresa McLean is no doubt correct: you get the best experience by being presing on television, because the camera showed us: they were sitting not far in front of another group who beat their beer cans in a rhythmic cacophooy once it hegan to look as though the West Indies were going to win no matter what Chris Lewis might do

about it. Of course we effete viewers, slumped on our old greeo sofas, with the chilled Australian Chardonnay on one side and the electric fan on the other, were unable to join in and contribute to the true spirit of the occasion. We took no part in the Mexican Wave. When Pringle and Lewis emphasised the incompetence of Morris, Atherton and Hick Iwho had been out after scor-ing one run each) hy putting up a ninth wicket stand of 95 we did not participate in the slurred chorus of "Rule Britannia". Our nostrils had to make do with the scent of honeysuckle from the garden and roast lamh from the kitchen whereas those who had quened to get into the ground could savour the aroma of chip fat

Joking aside, the enjoyment of high quality sport on television – and even some not so very higo quality as we shall see in a moment – is one of the great pleasures of the age.

Travel in this country, unless you are willing to ride a high perforance, motorbike and performance motorbike end most people are not, is now so appalling that reaching any sporting event is a nightmare. Getting away is even worse: some of the nastiest hours of my life have heen spent attempting to leave sports venues at the same time as tens of thousands of others. But television sport developed in the nick of time.

ent. In practice, anybody who fought their way to the Test ground and spent the weekend encouraging the development of skin cancer, will have been unable to wetch the Panasonic Netional Athletics Championships from Birmingham on ITV and Chennel 4, the international Federation Cup tennis from Nottingham and racing from Ascot on BBC1, a splendid Grand Prix motor race from Hockenheim, also on BBCI, the final leg of the Tour de France on C4, the astonishing World Cup Triathlon from Portaferry, County Down on iTV end, for real fanatics, American football nt Wembley

True, if you managed to get home in time you could see "highlights" of several of these events on late night television, but that is just not the same thing as watching in real time. A really good televised sport needs to last all day, like a one-day cricket match, better still all week like a snooker championship, or best of all for week after week like the Tour

de France. You would have to be certifiable to go out into the mouotains and plains of France, day after day, to join those other maniacs on their folding chairs who sit under umbrellas from morning till night waiting for the peloton to flash past. But switching to Channel 4 for the Tour de France every day at 6.30, or for the repeat late at night after everything clse has finished, can become o very pleasaot habit indeed. The technology now makes

coverage of this sport, like so many others, extraordinarily effective. On the old green sofa we travel with the bunch, we switch to the chasing group, we dash up ahead to see who has made the break (Chiapucci, who else) and only once this year, during that dreadful day in the Alps, can I remember an occasion when the weather was so bad that the belicopters could not fly and the cameramen on the motorcycle pillions were thus uoable to hounce their pictures back to us. How-ever the pleasure is not solely in watching Indurain's stonewall expression as he descends a wet mountain road et 65mph, or Greg LeMond's determina-tion as he proves that he can still ride a stnpendous time trial, although in such matters home viewers with the benefit of zoom lenses have all the advantages over roadside spec-tators. But in addition there is the simple enjoyment to be had from looking across the riders to the French vineyards or riv-

ers or châteaux. In athletics we now have a camera truck in the outside lane, for part of the track anyway, which brings us the sort of big close-up action pictures that were hitherto the speciality of wildlife programmes. in the days when my brother ran for Britain he and his contemporaries - Brasher, Pirie, and

panting like dogs. Today ath-letes such as McKean end Whittle come in from e fast 800 metres hreathing no more heavily than after crossing the room to switch on the televi-sion. We know, because the shoulder-mounted cameras at the finish take the viewer closer to the finishers than i

In cricket, too, the technology provides the viewer with an appreciation of the game that the spectator in the stands cannot share. Yes, there are too many slo-mo replays, far too many, but the close-up on a "drag plate" (a steel cap over the toecap of a bowler who drags his trailing foot at the moment of delivery) or the comparison of a stroke seen from the mid-wicket camera end then from behind the crease, can speak volumes. If watching on television is no substitute for being there, it is equally true that being there is no substitute for watching on television.

The one sports programme this week where technology was of little significance was The Game, which is available only in London, providing as it does "the only summer soccer on the box": the East London Sunday League Division 4. This week we saw Bechers play Livingstone Academicals and the television crew must have outnumbered the spectators. Here the expertise and attraction comes mainly from Danny Baker, a sharp cockney whose commentary contains passages such as "Oh yeah, presumably an sast London member of the Maradona family there" which is his way of identifying an instance of

Baker's quickness and wit is often more welcome to ths viewer than the supposed expertise brought to television by former champions employed

handhall.



Miguel Indurain after winning the Tour de France: a scene spectators view from afar

as commentators. There is no rule. Some, such as Richte Benaud and James Hunt, do make very useful members of broadcasting teams. Hunt's vivid explanation on Sunday of why it is so much more tiring to drive close np behind another car than to lead the race wes the hest sort of added value that viewers can get from ex professionals. But the fact that someone was once a great champion is no guarantee that they will make a great broadcaster, as Virginia Wade proved long ago (why, with that unfortunate monotone which makes her sound permanently bored, do they go on using her?) and as Steve Ovett is now busy

confirming. He pursues the helief of so many American sports commentators that it is better to say anything than to say nothing, and appears to have decided to work the word "particularly" into every sentence.

However good, or bad, the technology, commentators can make or break e programme. But sports programmes now bear the same relationship to the real thing as nylons do to silk stockings: less luxurious, mnch cheaper, far more convenient, and hardly ever seen as a substitute any more, but considered a great boon in their own right.

Christopher Dunkley

## Giselle

ROYAL FESTIVAL HALL

One hundred and fifty years ago this summer, Giselle first saw the stage lights of the old Paris Opera. ("She was born last night", wrote Adolphe Adam, composer of the score, on the day after the premiere, "and her delivery was accom-plished by circumstances that give promise of a long life"). Whatever the changes and depredations brought by a century and a half of performance, there remains something prethis dear ballet to tell us why it is so enduring a masterpiece. Now, as then, the second act is the heart of the work with all the hallowed paraphernalia of moonlit agonisings and protective love. Now, as then, we delight in the prettiness of local colour and peasant festivity in the first scene. And now, as then, the motor force of the plece must he the self-immolation of a great ballerina as Giselle to give the drama its heart, and the sacred canon of airy steps and madness is once again revealed to us.

In reviving the version made 20 years ago by Mary Skeaping, English National Ballet marks Giselle's anniversary with a careful production which will be seen throughout this week. It looks at its worst on the Festival Hall's shelf-stage, which is narrow, dreadfully resonant the landing from most jumps sounds like the fall of the House of Usher - and inimical to theatrical magic. It is, furthermors, a staging which leaves nothing to the

imagination, believing that every dramatic point must be made by the mechanics of the presentation rather than by the artists involved, who move among its quaintnesses and emotional sign-posts like people negotiating a room over crowded with furniture. The ideal view is that provided by the Kirov Ballet, where a divine simplicity, the fruit of unbroken performance for Giselle's entire life, frees the agedy of everything its romantic essence. This ENB presentation keeps interposing its fuss between the ballet and its public, as if explaining the story to a child.

On Monday night Maria Teresa del Real was Ciselle, giving a sincere performance within the terms of her own warm temperament. But the com-pany's own illustrious history with the ballet – from Mar-kova cowards – has taught us to expect something both more spiritual and more dominating of the action. The evening's laurels went to Jose Manuel Carreno as a youthful Albrecht in whom a freshness and directness of playing is matched by a beautifully easy and commanding technique. which triumphs over the wretched confines of the stage. There was a line, icy Myrtha from Josephine Jewkes, and a feeling that certain other mem-bers of the cast had but lately been recruited from the walk-ways on the South Bank.

Clement Crisp

## London Sinfonietta

ROYAL ALBERT HALL, RADIO 3

The core of the London Sinfonietta's Proms showcase on Monday, conducted by Lothar Zagrosek, was thor-oughly Viennese, Only York Höller's tiny Improvisation sur le nom de Pierre Boulez, a neat tribute artfully woven from Boulezian gestnres, and Shnitke's distinctly below-par 1979 Concerto for piano and strings right at the end of the programme compromised the flavour, Mahler's Lieder eines fahrenden Gesellen and Kinder totenlieder were given in chamber arrangements, Webern's Five Orchestral Pieces Op 10 began the evening, and Christopher van Kampen was soloist in HK Gruber's Cello Concerto. David Murray welcomed the concerto warmly when the same performers introduced it to London at the Queen Elizabeth Hall last November. Written for Yo Yo Ma, who gave the premiere et Tanglewood in 1969, it seems on first acquain-tance an extraordinarily suc-

cessful piece, emotionally tense and brooding yet with under-currents of ironic self-awareness and bittersweet sentiment which well up to the surface in the jazzy slants of its rhythms and distant echoes of popular-song styles. The music moves outwards and upwards from the dark, impassioned opening in a wonderfully sustained arc to create a sequence of varia-tions that is tightly con-structed yet effortlessly effec-tive in its balance of tonality

with chromaticism. However intellectually satisfying the argument, it is the sheer sound of the piece that is immediately seductive. The metallic washes of vibraphone and brass which invade the textures from the opening pages, the sudden outbursts of frantic activity, minutely coloured, which still manage to keep the cello line lucid and expressive, and the lingering melodic tag with which the concerto slips from view, are images that lodge themselves

permanently in the mind.

The Sinfonietta played the most economical version. scored for just 14 players. The lean sound fitted well into a programme in which Mahler's songcycles were heard in such spare versions, that of the Fah-renden Gesellen songs was the arrangement made by Schoenberg for the Society of Private Musical Performances in 1920. while Reinbert de Leeuw's of Kindertotenlieder was designed as its companion, using the same combination of plano and harmonium to flesh ont the

harmonic skeletons. They remain curlosities, no real substitutes for the originals, but were beautifully played by the Sinfonietta, furl-ing their instrumental lines around the ripely hurnished phrases of the Polish born mezzo Jadwiga Rappé. The lack of poise in the Webern pieces at the start of the even-ing was never remotely to

## Montepulciano Festival

Perched high on a Southern Tuscan hili, Montepulciano provides an ideal home for e summer music festival. The town is small, craggily beautiful, full of stimulating histori-cal associations, cootained in its topographical boundaries, and richly varied in the sites it offers - outdoors as well as in - as performance space.

One proceeds from town square, framed in classic Tuscan fashion hy Duomo and civic palazzo, to the various churches which serve so well as concert halls, and thence to the little Teatro Poliziano each time with a growing feel-ing of exhilaration at the adventure of the journey and the reward of arrival in festi-val terms, place is (of course) not everything; purpose and planning matter more. But when in 1976 Hans Werner Henze initiated the Cantiere Internazionale d'Arte at Montepulciano, he provided himself with en incalculably strong physical base on which to build.

In its 16th year Montepulciano (July 20 · August 4) exerts a compelling ettraction. From the earliest years FT writers have been regular visitors to the festival, so readers may perhaps need no more than a brief reminder of its somewhat unusual artistic focus. One of the most renowned of living composers is its artistic director, and young performers, not

stars, fill its bills. This was, in part, true of Aldeburgh in Britten's day; it remains in similar part so of Spoleto in Menotti's (though that particular festival formula has apparently lost much of its potency). At Montepulciano, a thorough blend of "interna-tional" and "local", to make festival events a genuine part of the town's popular activi-

Alongside the visiting performers - the resident orches-tra this year for opera and concerts was made up entirely of young instrumentalists from re-unified Berlin – Montepul ciano youth is kept firmly prominent. In the big music-theatre event, Labirinto, that unfolded in the main square on two festival evenings, troupes of young Montepulciano drummers, dancers, mimes and ath-letes meshed skilfully with professionals to create a rousing al fresco spectacle.

Rather confusingly, Labirinio was proclaimed a "mime-drama" by Henze with music by the little-know young English composer Roderick by Philipp Himmelmann -whether Henze's active role in the proceedings went further than the provision of an embarrassing purple-prose-po-etic epigraph in the festival booklet was left unclear, Reading this, one expected a stale 1960s "happening" given a nos-talgic 1990s re-warming, and feared the worst.

Labirinto, which lasted just over an hour, came across as a vividly simple re-telling of the Jason-and-the-Minotaur legend. Its visual strokes were broadly colourful, unfolded in well-dril-led formations and with enjoy-able touches of "popular" humour; its aptly poetic electronic and percussion shivers were precisely timed; its narrative sweep built up steadily, to fill the square and the warm Tuscan evening with mime-vi-sions of surprising grandenr. should) be tried elsewhere is beside the point: as e festival Andrew Clements event unique to Montepulciano it was elating.

This year Montepulciano made its choice of operas from those intriguing out-of-the-way items that indicate the quirks and (if successful) canniness of an artistic director's taste. One is the Italian premiere of Mark-Anthony Turnage's Greek, the East End Oedipus rez thet knocked Londoners out et the Coliseum last year. I had to miss Greco (as It becomes in Italian translation), which was being reserved for the final few days; William Weaver will report here in due course. The other was an Histori-

cally Interesting Italian opera of the late 18th century that in lts Montepulciano staging proved to heve something rather more than mere Historical Interest in it. This was Paisiello's *Nina, ossia la pazza* per amore (1789), an adaptation in translation of s French in translation of a French libretto (earlier set by Dalayrac). A lyric comèdia larmoyante in a Rousseau-esque pastoral setting, it moved contemporary audiences to frenzies of sympathetic emotion and floods of tears.

The thinness of the opera would seem to be the chief obstacle to its modern revival. Star-crossed (or rather father-crossed) in love, the heroine loses her wits (lengthily); then, gently (and lengthily) urged by the guilt-ridden parent, a pos of affectionate friends, end

*'Paisiello's formulas* came to life: this,

one felt, is what festivals are for

eventually the revenant lover Lindoro himself, she radiantly (and lengthily) recovers them. Paisiello's stock of musical formulas is small; repetition of phrases plays a heavy part in

their creation. Yet the charm of the Montepulciano Nina, staged with a graceful (bnt fortunately not too academic) nod to "authentic" production practice, was not to be denied. The singers (Itelian professionals in early career stages, a student chorus from Bologna) exuded naive freshness – occasionally a bit creaky, more often sweetly tender and captivating. The Berlin youth orchestra under the excellent Markus Stenz (who conducted the 1990 Berlin premiere of Henze's most recent opera, Das verratene Meer) made bnoyant, airy clogged. The Nina, Cristina Barbieri, was promising, the Lindoro, Elio Ferretti, the best young Italian tenor I've heard in ages, with tone beautifully clean and well-formed (but he's an inert mooncalf on stage). Paisiello's formulas came to life: this, one felt, is what festivals are for. In addition to the rewarding weekend round of morning and early-evening

chamber concerts, I was similarly - that is to say, festively - delighted hy the Berlin orchestra under Stenz on their own, in a concert of Stravinsky, Henze (two mildly liquid-lyrical excerpts from the 1950s opera King Stag, newly worked) and Detlev Glanert The last named, a 30-year-old Hamburg composer and Henze pnpil, had written for Montepulciano a Parergon on themes from his recent opera The Emperor's Mirror, dark. richly scored swirls revealing a highly individual harmonic ear and a fastidious scoring hand.

Max Loppert

# INTERNATIONAL TODAY'S EVENTS

Maria Teresa del Real

■ AMSTERDAM Concertgebouw 20.15 An evening with the King's Singers. Sat: Dmitry Sitkovetsky and Belle Davidovich pley violin sonatas by Schubert, Prokofiev and Grieg (6716 345)

■ BERLIN Renaissance Theater 20.00

Herrengold, a play by Andreas Pfluger based on the popular German television crime thriller sterring Gunter Lamprecht (312 4202) Kleines Theater 20.00 Das Küssen

macht so gut wie keln Geräusch (Kissing makes no noise). euthentic Berlin revue with ample local colour (821 3030)

■ BUDAPEST

Meriin International Theatre 19.30 Franz Molnar's entertainment The Play'e The Thing, performed in English. Daily except Sun, in courtyard of the City Council, Gerloczy u. 4 (117 9338) in Court 20.00 Recital by the Mandel Quartet, in courtyard of the Hilton Hotel, Hess Andres

Hungarian Folklore 19.00 in Buda

20.00 in Pest Concert Hail, Vigado ter 2. Tickets availeble from Central Theatre Booking Office (Andrassy ut 16)

**■ GENEVA** 

conducts Schole Cantorum (289982) DANCE

Covent Garden 19.30 Birmingham Osbert Lancaster, with music by Héroid erranged by John

Royal Festival Hati 14,30 and 19.30 English National Batlet in Mary Skeaping'e version of Giselle, with sets and costumes by David Walker. Also tomorrow, Fri and Bat. ENB season runs till August

Purcell Room 20.00 Saxtet, Birmingham's Internationally acclaimed saxophone quartet presents a programme entitled Horns of Plenty (071-928 8800) Royal Albert Hall 19.30 Stephen Hough plays Mozart'a Plano Concerto No 9, and Linda Finnle and Gery Lakes are soloists in Mahler's Des Lied von der Erde, in a concert with the BBC Symphony Orchestra conducted by Mark Elder. Tomorrow and Fri: Tadaaki Otaka conducts the BBC Weish Symphony Orchestra

Concert Hall, Corvin ter 8, end

Hôtel de Ville 20.30 Avery Gosfield Basiliensis in e concert of songs dating from around the tims of the lounding of the Swiss Confederation in the 13th century

Royal Ballet in Frederick Ashton's La Fille mel gardéa, designed by Lanchhary. Repeated every night till Sat, plus next Mon (071-240

THEATRE Spunk is e widely acclaimed New York Public Theater production written and directed by Gsorge Wolle, adapted from short stories by the black American Zora Neale Hurston, using hiues and dance to Illustrate three compelling tales of survival (Royal Court 071-730 1745). The Lady from the Sea le e Womens Playhouse Trust

production of Ibsen'e classic pley of love and freedom, directed by Jules Wright (Riverside Studios 081-748 3354)

The Rose Tattoo is e Peter Hall Company production of Tennessee Williams' heated but joyful Waiters (Playhouse 071-839 4401).

The Manchurian Candidate (1959) is e play by John Lahr from the novel by Richard Condon, ebout e breinwashed ail-American hero returning from a Middle East war. A New Vic Company production directed by Robin Midgley, starring Gerard Murphy, Slan Phillips and Connie Boath. Runs till Aug 10 (Lyric Hammersmith 071-836 3464). Carmen Jones, the Hammerstein/Bizet all-black musical, is enjoying a hugely successful run in e classy production by Simon Callow (Old Vic 071-928 7816). For information about other shows, phone Theatreline from anywhere in the UK: Pleys 0836 430959 Musicala 0836 430960

■ MUNICH

0836 430962

Staatsoper 17.00 Wolfgang Sawallisch conducts Die Meistersinger von Nürnberg, the

Comedies 0835 430961 Thrillers

closing performance of thie year's Munich Opera Festival. Bernd Welki sings Sachs, Harmann Prey le Beckmesser and Lucia Popp ia Eva (221316)

■ NEW YORK

MUSIC Philharmonic in the Parks 20.00 Raymond Leppard conducts the New York Philharmonic In a free open-air concert at Dyker Beach Park in Brooklyn. The programme consists of Vivaldi's Concerto for two trumpets, Brahms' Third Symphony, Respighi's Fountains of Rome and Copland's Three Dances from Rodeo. This is tha last of this summer's Philharmonic in the Parks concerts (580 8700) Avery Fisher Hall 20.00 Alicia de Larrocha is soloist in Mozart's Pleno Concerto No 21, with the Mostly Mozart Festival Orchestra conducted by Gerard Schwarz. The programme also includes Prokoflev'e Classical Symphony and Mozart'a Linz Symphony. Tomorrow: Cleveland String Quartet, Fri and Set Pinchas Zukerman and Yefim Brontman era soloists in concertos by Mozart and Haydn (875 5030) New York State Theater 20,00 Paul Gemignani conducts Scott Ellis' production of Sondheim's A Little Tomorrow and Sun matinee: Turandot. Frl: Guldo Almone-Marsan conducts Nicholas Muni's production of La traviata. Sat: first night of Jonathan Eaton's new production of Cav and Pag OFF BROADWAY THEATRE

 'Mr Gogol and Mr Preen is Elaine May's polgnant, funny play

about the relationship between an ageing New York writer (Mike Nussbaum) and e vacuum-cleaner salesman (William Macey), showing both actors at their best (Mitzl E. Newhouse Theater downstairs at Lincoln Center, 150 West Sixty-fith Street (239-5200). Tony 'N' Tina's Wedding: a

wedding at St John'a Church, 81 Chistopher Street, then a reception at 147 Waverly Place, with Italian buffet, champagne and wedding cake (279-4200)

Breaking Legs is Tom Oulack's comedy about what happens when the Maffa meets Broadway: Philip

Bosco and Vincent Gardenia play e pair of mobsters who back a new play to promote their own interests (Promenade Theater, Broadway at Seventy-sixth Street, 580-1313). And The World Goes 'Round: The Songs of Kander and Ebb. A musical entertainment celebrating the 26 years of compositions by the compos John Kander and lyricist Fred Ebb, with a cast led by Bob Cuccioli, Karen Mason, Tarry Burrell and Joel Blum (Westside Theater, 407 est Forty-third Street, 307-4100) Pageant is a musical speed of beeuty contests, conceived and directed by Robert Longbottom (Blue Angel, 323 Wast Forty-fourth Street, 262-3333).

Ticketron answers inquiries and sells tickets (246 0102)

■ PARIS

Eglise Saint-Germain des Pres 20.30 Joel Suhubiette conducts the Ensemble vocal et instrumental Les Elements in Samuai Barber's Agnus Dei, the original 1893 version of Fauré's Requiem and four motets by Poulenc. Tomorrow

at Forum des Halles: harpsichord recital by Virginia Black (4804 9801) Gâlté-Montparnasse 21.00 Callas, a one-woman show based on interviews with the diva, devised by Jean-Yves Picq, directed by Dominique Lardenois, with Elisabeth Macocco as Callas, Runs tiil Aug 11, daily except Mon (4322 A 24-hour recorded telephone

guide to Paris entertainments is available in English by dialling 4720 8898

■ VIENNA

Arkadenhof 20.00 Milan Telecky, viole, and Halena Gafforova, pleno, give e recital of music by Hummel. Martinu and Zelenka (4000 8410) Deutschordenshaus 20.15 Ensemble Per Arte plays chamber music by Vivaldi end Mozart, performed in period costume. Repeated tomorrow, Frt and Sat (679108)

Hoburg 20.30 Vienna Hofburg Orchestra plays Strauss weltzes and operata favourities, repeated tomorrow and Sat in Konzerthaus (587 2552)

(587 2552)
Konzerthaus 20.15 Manuel
Hernandez-Silva conducts the
Vianna Mozart Orchestra,
performing in period costume, also
Sat in the Mozart-Saal (587 2552)
Raimundiheater 19.30 The Phantom of the Opera, musical by Andrew Lloyd Webber. Daily except Mon

Schönbrunner Schloestheater 19.30 Vienna Chamber Opera's German-languega production of Le nozze di Figaro, also tomorrow. Fri and Sat Don Giovanni, Season runs till Aug 15 (824566)

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1330-1400 Business Day
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review of the day's major business stories
2300-2330 World Business Today
0100-0130 Moneyline
Supardannel Superchannel 0700-0830 Financial Times Busi-0700-0830 Financial Image ness Report A five minute business briefing broadcast three limes between 0700 and 0800 2220 - 2250 (Wed) Financial Times Susiness Weekly - the latest round-up of business news with James Bellini and Debbie Middleton. 0830 6 2030 (Thurs) Financial Times Butiness Weekly Sky News 1200 International Susiness Report 2130 (Thurs) Financial Times Busi-ness Weekly SATURDAY CAW 0800-0830 Moneyline 0900-0830 Moneyline 0900-0830 World Business Today e joint FT/CNN production 1540-1610 Moneyweek 1900-1930 World Business This Week 2110-2140 Your Money SUNDAV Sky News 1030-1100 FT Business Weekly CAW 0710-0740 Moneyweek 1540-1610 Your Money 1900-1940 Moneyweek 0040-0110 Inside Busin

Saudi Arabia: invited US

intervention in Gulf.

proposal for peace

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King Fahd supports US

## FINANCIAL TIMES

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Wednesday July 31 1991

# Making local councils work

MR MICHAEL Heseltine has a busy few months ahead of him. His summer reading includes thousands of submissions on his proposals for a new council tax and on s Local Government Commission to restructure local government. He must digest these and revise his proposals by the end of the summer if the necessary legis-lation is to be launched in the autumn. Then these complex reforms must he stasred through parliament before a spring election if the council tax is to be up and running for April 1993. At the same time he must fight his corner with the Treasury if the council tax is to enjoy a birth process less stressful than that of its older

hrother the poli tax.
As if all this were not enough, the environment secenough, the environment sec-retary has now issued a third green paper outlining propos-als for streamlining the run-ning of local councils. His sug-gestions include the possibility of elected mayors, cabinet government for councils and a move away from decision-mak-ing by committee. The green paper is rather greener in tinge than the council tax plans and thus there is scope to influence the outcome rather more than with its predecessors.

Damaging conflict

Mr Heseltine devotes most of his green paper to questions of internal structure, examining alternatives to the current system of administration by committees. One option is for a directly elected mayor to act as chief executive officer with a mandate from the whole local electorate. Such an arrange-ment carries the potential for damaging conflict, however, since a mayor of one political party might have to co-exist with a council dominated by another party - particularly where a third of councillors were elected every year and the mayor less frequently. The inherent conflict in such a dual mandate explains why directly elected mayors are not common outside a few US cities. Other options include the

ager to take over the day-to-day running of councils and a formal cabinet system to separate the executive and rep-resentational functions of councillors. At the very least, it should be possible for deci-sion-making to be devolved to committee chairmen. Any of these changes would almost certainly require the introduc-tion of salaries for those who took on such full-time responsibilities. There could also be consequences for the methods of election of councillors which need to be made clear.

Individual councillor

However, the paper is disap-pointing on how little it has to say about the role of the indi-vidual councillor. Whether the green paper leads to radical reform or simply easier delegation of decision-making, the main issue is the role of the ordinary elected member. Currently he or she must agree to give a way all house of a nonsign away all hopes of a nor-mal life in return for spending most evenings at committee meetings or dealing with vot-ers' problems. It is hardly surprising that those who agree to such a self-denying ordinance are so often untypical of the people who elect them. And, as the Audit Commis-

sion has shown, the result is singularly unproductive in terms of setting overall policy strategy or reviewing service performance. If councillors could be persuaded to organise their time better and let managers manage, it should not be beyond the bounds of possibil-ity for a councillor to see the job as no more than a couple of evenings' work a week. And the quality of local services would benefit from clear strategic direction and robust performance review.

Mr Heseltine's green paper with its emphasis on structure rather than procedures fails to address these issues. That is a pity, because there is considerable scope for improving the quality of local decision-making within the present commit-

# **Bottoming out**

THE PREVAILING mood of both the UK stock market and economic Observers has swung sharply in recent months. By contrast, economic activity has remained subdued. The recession has not deepened; yet there is little sign that recovery is under way.

Yesterday's Confederation of British Industry quarterly survey suggests that the bottom of the recession has been reached. Once seasonal variations are removed, the business confidence indicator, the most reliable guide to future output changes, is unchanged from the previous survey.

Yet there is little evidence in the survey to support the chancellor's weekend claim that the economy is making "dramatic progress", or the stock market view that recovery is imminent. Companies report depressed output and orders. Expectations for the next four months are no more optimistic.

The explanation for the recent share price rally was last week's good news on trade and retail sales. In fact these figures themselves provided little evidence of a strong recovery. Monthly retail sales data are notoriously volatile, while comparisons over three and six months suggest that retail sales have at best stopped falling. Meanwhile this year's current account improvement is as much s product of depressed import spending as of recovery in export growth.

The underlying reason for the rise in sentiment is more likely a feeling that after four quarters of recession, the time for recovery has come. Here the CBI survey suggests a note of caution. The previous two recessions lasted for just four quarters; and both times the CBI business confidence indicator rose by more than 15 per-centage points between the last quarter of the recession and the first quarter of recovery.

This time business confi-

dence has not risen in the fifth quarter. This may be because of a premature recovery in business confidence following the end of the Gulf war. Alter natively the combination of high real interest rates, high levels of deht, and sluggish world economic growth, may be delaying the upturn. Certainly the CBI survey

provides little clue as to the source of recovery. It will not not come from investment for most companies are still planning to reduce investment spending over the next four months. Nor is the traded goods sector likely to drive the recovery as neither expected export output or orders have risen since the April sur-

It is the behaviour of consumer spending that will deter-mine the timing and strength of recovery. Most economists expect the recent interest rate ents, falling inflation and slower unemployment growth to revive consumer spending in the second half of the year. "If anything," says the latest Treasury Bulletin, "some recovery in consumer spending may

already be overdue already be overdue".

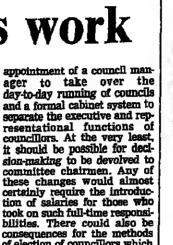
Yet there is a risk that con-sumers will again confound the forecasters. For with real interest rates still high and the housing market depressed, any consumer-led recovery could well be sluggish. In any case, the timing of the recovery is unlikely to be confirmed until the end of this year at the earthe recovery is on hold.

# **Necessary steps**

IT IS too soon to say that President FW de Klerk has restored his credibility. Final judgment must wait until the measures he announced yesterday are put into practice by his new cabinet. But they are essential steps towards reviv-ing South Africa's negotiating

Monday's reshuffle falls short of the African National Congress (ANC) demands for the dismissal from the cabinet of Mr Adriaan Vlok, the police minister, and General Magnus Malan, in charge of defence. However, by demoting Mr Vlok and Mr Malan, and giving cabinet rank to four staunchly reformist members of his party, President de Klerk has made clear that his commit-ment to ending apartheid is

undiminished. He should now allow full disclosure of the abuse of government funds, introduce indepen-dent monitoring of future spending, and, above all, gain control over the security forces, purge officers who have led politically-inspired violence in the townships, and re-assert the rule of law over the police and army. At the same time, the ANC and other leading political parties should be given a greater role in policy making and its implementa-tion. A fully-fledged interim government – advocated by the ANC – is impractical. But greater co-operation is essential if Mr de Klerk is to win the trust so essential for a successful transition to a post-apart-



f, last August 2, a fortune-teller had forecast the events which ultimately flowed from Iraq's have been assumed by many people in the Arab world that he was wildly prejudiced against them, or on the CIA's payroll, or both.

Twelve months on, there is still widespread difficulty at all levels in the Middle East about coming to terms with how disastrously Presi-dent Saddam Hussein played the cards he dealt himself, and how greatly strengthened in the region the US, the prime supporter of Israel, has

Iran: stayed neutral during Gulf war;

making overtures to

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against Iraq; President Mubarak rewarded with

Indeed, so strong is America per-ceived to be by the Arab nations that Israel might be the only party pre-pared to roh President Bush of the electoral prize of successfully waging war and peace in the same year. It is not just the Arabs and Israelis who are suffering the traumas of adjustment. Within the western democracies, the surge of sympathy after the Gulf war for the plight of the Kurds and of the Shia community in the south of Iraq was cited as evi-dence of American failure to understand the consequences of military action, or to take responsibility for the policies it had initiated.

Western public opinion also had difficulty accepting that despite the huge political and military effort expended to force Iraq'a withdrawal, Mr Saddam remains in control in Baghdad and the instinctively authoritarian al-Sabah family has been restored to power in Kuwait.

n terms of the politics of oil, as distinct from those of the Middle East, the allies can count the Gulf war something of a success.

Bolstered by US support in the crisis, Saudi Arabia has gained a more dominant hold over the Organisation of Petroleum Exporting Countries

(Opec) than at any time in the car-tel's history. The result, at least in the short term, is moderate, and steady, oil prices that will help the US economic recovery. Oil market management has been made easier hy the historic rapprochement between Iran and Saudi

Arabia - partly a result of Iran'a pragmatic stance during the crisis which has, for the time heing,

witch has, for the time heing, silenced Opec's price hawks.

Mr Daniel Yergin, head of Cambridge Energy Research Associates and author of The Prize, a history of the world oil industry, says: "Two main effects of the Gulf crisis are: first, Iraq is no longer in a position to threaten or dominate world oil sup-

Roger Matthews on a year of traumatic readjustment in the Middle East Managing the spoils of war The human disasters stemming from the war qualified the military victory and became a rallying point for those traditionally disappointed by US successes. But inconveniently for critics of the US, it was the objectives set out in UN Security Council resolu-tions which were broadly achieved.

Kuwalt but President Saddam Hussein still in

Israel: avoided direct

involvement in war; Prime Minister Yitzak

Sharris still hagging with US over terms for

The perceived failures, such as liberating Iraq from Mr Saddam, were objectives which the US and its allies had not set themselves and which would not have won UN backing. The realism of American policy in limiting its practical ambitions meant that allied military action was almost bound to leave the Gulf in political turnoll while severely curtailing Mr Saddam's capacity to terrorise other countries. Now an intervention force stationed near the northern horder and the threat of air attacks on

nuclear facilities help to ensure that Iraq stays approximately in line. What is so lacking is a coherent view, from Arab or western govern-ments, of the way forward. The regime in Beghdad is almost certainly as resilient as the man who heads it. His eventual replacement need not bring any significant change in the policies of a central government

alarmed by regional uprisings.
Without that change, the sauctions policy against fraq looks set to remain in force, tempered only by humanitarian concerns. For so long as Iraq can-not sell oil in substantial quantities, it will be without a long-term reconstruction programme. It seems likely that there will be an uneasy stand-off

tuated by violence, while Mr Saddam dreams of another big throw which might restore his battared fortunes. Elsewhere in the region there can

during war, King

nending fences with US

and amphorated beacs

Elsewhere in the region there can be only marginally greater optimism. Sandi Arabia appears to have accepted the US military action without much difficulty and will now stay firmly under its protective umbrella. Riyadh's difficulties with Iran have eased considerably, although Tehran's effort to play a more constructive role in the Gulf, if genuine, is likely to be frustratad by the same kinds of long-term problem that affect US relations with Hanoi. tions with Hanoi.

The recent American US veto of British commercial aircraft sales to Iran demonstrates how difficult it is

The realism of American policy in limiting its practical ambitions meant that allied military action was almost bound to leave the Gulf in political turmoil

for the Bush administration to come to terms with a previously hostile government which, like that of Vietnam, now claims to be more inter-ested in economic growth that than international revolution.

The temptation for Mr Bush must be to sit on his hands and await what he hopes will be positive developments in the Gulf, while gathering political capital elsewhere in the Mid-die East where the protagonists might be more eager to please. Of course, as the American, Israeli and some Arab governments protested so often during the past 12 months, there was no link between the occupation of Knwait by Iraq and the occupation of the West Bank, Gaza and the Golan Heights by Israel. Unthinkable though that concept is,

supported Iraq; Yasser Aratat trozan out of

Operated and ruling at-Sahah family restored but allegations of huma

pressure for democracy

rights abuses and

not least because it was Mr Saddam's only fig-leaf, progress towards a peace conference aimed at resolving the Palestinian conflict has accelerated remarkably in the past three months. Mr James Baker, the US secretary of state, is this week expected to visit israel for the sixth time since Iraq was forced out of Kuwait. His main aim will not be to discuss the Gulf but to set up a conference designed to give Israel the opportunity to negoti-ate an end to the state of war it has been in for more than four decades, in exchange for the Arab territories it occupied in 1967.

That such a conference is possible is due mainly to a change of mind by Syria, which had been as hostile to Israel as it is to Mr Saddam, President Hafez al-Assad pleased Mr Bush hy sending Syrian troops to Saudi Arabia and Knwait; he pleased him even more by agreeing for the first time to hold direct peace talks with Israel based on UN resolutions 242 and 338. Even Mr Yitzhak Shamir, Israel's pre-

mier, was impressed. Mr Shamir now has an opportunity to demonstrate whether he is as wily

as Mr Menachem Begin, his predeces-sor, who, with American help, man-neuvred President Sadat of Egypt into signing a separats peace which returned land to Cairo but did nothing for the Palestinians. Mr Shamir might just try to pull off the same trick with President Assad, who with-out the protection of either the Soviet Union or a peace process would feel highly vulnerable.

Syriz: fought alongside US against Iraq; President Hafez al-Assad

accented US proposal

for Middle East peace

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The state of the state of

Even an Israeli government as determined as this one not to cede an inch of the West Bank and Gaza, inch of the West Bank and Gaza, could find merit in first going to the peace table with Syria. If offered the return of the Golan Heights, albeit under strict conditions of demilitarisstion, it is not unthinkable (though still most improbable) that Mr Assad could be tempted to do a deal. If he was the level depart of neutralising was, the Israeli dream of neutralising its Arab neighbours without conced-ing self-determination to the Palestinians would have been realised.

For Mr Assad, no less than Mr Saddam or King Hussein of Jordan, the issues of war, peace or negotiation are ultimately assessed on the degree of probability that they and their governments will survive the outcome. The US military victory in the Gulf, which in turn reinforces Israel's military superiority further north, is the engine driving what is presently called a peace process. As such, there is every danger that it will again address the symptoms but not the most basic issue which made it neces-sary in the first place: the future of the Palestinians.

believe Iraq can export about 700,000 b/d through the pipeline that runs across Turkey, although Baghdad has said it can supply up to 1m b/d by the end of the year. The Gulf crisis was different from

preceding oil shocks in 1973-74 and 1979 because Opec acted swiftly to bring idle capacity on stream and avert drastic market disruption. Opec states have amhitious plans to expand ontput for which they are seeking an estimated \$25bn in western investment over the next decade.

Present market stability is fragile; if demand shows a seasonal downturn by this time next year, when Iraq and Kuwait are producing more, production cuts may need to be imposed. But in the longer term, the consensus is that the market will be tight, leaving no spare capacity to absorb potential political upheavals.
Unless a significant expansion of capacity is achieved, the outlook is for steadily rising prices over the next five years.

# Victory in oil market

Opec hawks are quiet, writes Deborah Hargreaves

plies; second, the US and the allied Knwait has at least temporarily The decline in ontput from the task of guaranteeing the flow of oil." The Gulf crisis barely arrested the continuous rise in demand for oil much of it coming from rapid growth in countries such as Korea, Singapore and Indonesia. Economic recovery in the US and Europe will severely stretch Opec's current capacity of about 23.5m barrels a day (b/d) by the autumn. This is why the oil price is holding steady at about \$19 to \$20 a barrel for North Sea Brent crude when summer usually dictates a dip

in price.
The fact that Opec members need to produce at almost full capacity to make up for the absence of Iraq and

and this has made Sandi Arabla's task easier in pushing a moderate price policy. Saudi Arabia and Iran are even stockpiling oil again as they did in the run-up to the Gulf war in anticipation of increasing demand later this year. The call on Opec oil is expected to rise to 24m b/d by the fourth quarter from 22.5m b/d.

This is why a slow return of Iraq

and Kuwait to the market could at first be relatively painless for the other producers. Demand will remain on a steeply rising curve at least until 1995, although there could be seasonal disruptions which will push down prices.

prices. Soviet oil production, which has fallen in the past three years from 12m h/d to 10.5m h/d, is dropping almost as fast as world demand is rising.
Iraq and Knwait are unlikely to

make much impact on the market this year. Kuwait will not be able to supply much above 100,000 b/d before 1992 because the country's oil industry remains devastated, with at least

400 oil well fires still burning.

Iraq will be constrained by its relationship with other Gulf states and the US. Sanctions against Iraqi oil exports are still in place. If they are partially lifted, most commentators

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#### Return of the native

■ Don't whisper it too loudly, but one of Britain's longest running management buyouts is about to be completed. Hoare Govett, which made history as the first London stockbroker to sell out to a US bank, will soon score another first by buying itself back. With a job well done Peter

Voss, the Security Pacific banker sent by a worried parent to repair the damage after the 1987 market crash, is heading back to California. This should help reduce Hoare's overheads while ensuring it still has a friend at SecPac, which retains a big stake. Meanwhile well-connected

Peter Meinertzhagen, a Hoare veteran and one of the best brokers in London, is charged with re-establishing the firm as a powerful player.

He faces a tough task. Certainly Hoare will have more than enough capital and an enviable corporate client list: it is brokers to both ICI and Hanson. But it lacks the comfort of a fund-management business, its research side with one or two notable exceptions isn't up to much, and it is not

a big market-maker. A merger with another firm - Smith New Court and Kleinworts are obvious names would make sense. However. it would not mean much of a future for most of Meinerzhagen's loyal staff. While the stock market may be testing its all-time high, the cold realities of the broking world are not far below the surface.

Undercover man ■ Although Edward Hartley-Booth, the Tory barrister selected to fight Mrs Thatcher's Finchley parliamentary seat, is best known for his connections with the British Urban Development consortium, he also had a little known role as Mrs T's dirty

## **OBSERVER**

While her public relations advisers made sure she was rarely photographed looking at derelict slums when she salied into the North's inner cities, someone had to tell her about the problems. This was one of Hartley Booth's jobs when he was in the Cabinet

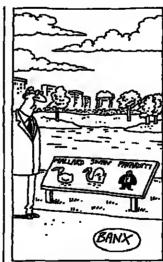
Many social workers in the drugs field, for instance, came to believe that his reports were instrumental in ma the UK's double-handed approach to treatment and punishment that has helped contain the UK problem and impede its spread from inner city areas to the suburbs. Mrs Thatcher cannot be unhappy the battle for the Finchley

Larry's turn Larry Goodman has the doubtful distinction of being one of Ireland's most talked about people.

Last year the Irish "Beef

Baron" somewhat worried the banking community by reveal-ing that Goodman International, his privately held holding company, was unable to service its debts of 12500m. That little problem seems to have been solved, for the time being at least, with the banks agreeing to a complex bail-out of what is Europe's biggest beef processor.

But non-drinking, non-smoking, quietly spoken Goodman has now got into another spot of bother about the control of Food Industries, the quoted company embracing most of his non-meat interests. The hish entrepreneur (Goodman started his business career sell-ing offal of the back of a truck) owns 67 per cent of Food and has turned down an 1658m offer for the company from Greencore, formerly the staterun Irish Sugar company. Alas the rest of the Food



Industries board has voted to recommend acceptance of Greencore's offer. Goodman, well practised in brinkmanship, is said to be holding out for a higher price.

Another twist to the tale

is that not so long ago - when the Beef Baron seemed poised to take Europe's agribusiness sector by storm - he was him-self behind attempts to gain control of Irish Sugar.

In the meantime, over at Dublin Castle Ireland's legal fraternity is settling in for a judicial inquiry into alleged fraud and maipractice in the Irish meat industry - likely to be the longest such proceeding in the history of the Irish state. The man at the centre of attention? Larry Goodman.

Hunger strike

Sweden's politicians have just taken a blow below the

belt as a result of their government's moves to reduce direct tax on earnings while tightening up on loan-interest relief and fringe benefits. A restaurant near the Swedish parliament has banned MPs

in a protest against taxes on

luncheon vouchers. "You forced 1.2m people to eat from iunch-boxes. You should live by your example", states a sign posted outside by owner Freddie Wieselgren who vows that if he recognises any politi-cians trying to eat there, he'll throw them out.

Wieselgren says his business has been flagging since Janu-ary when Premier Ingvar Carlsson's government stiff-ened limits on luncheon vouchers and other perks to counter-balance income tax concessions which brought the maximum rate down from

over 70 per cent to about 50. "Whereas the voucher was worth two courses of a very good standard, it's now down just to works-canteen level," grumbles Observer's gournet informant in Stockholm. "And a lunchtime beer on the taxpayer is out of the question."

Gamekeeper It is not often thet one of Observer's pals gets appointed to high office. Hence I am proud to say that the Hong Kong government has turned

a poacher into a gamekeeper by hiring one of its toughest media critics: John Elliott, the FT'a HK correspondent. He has been given the grand title of "consultant Public Affairs Adviser", and will work on promoting the colony as an international financial and business centre. Presumably

 some might say hopefully - he will be given diplomatic training before he starts. The job, a new one, is a sign that Hong Kong realises it has been losing out in the public relations game. While the government machine is efficient. the limited number of senior

staff has meant not enough

time has gone into changing

the colony's sweat-shop image.

High hopes A newly-launched newsletter hoping to profit from the back office management business, has been given the title B.O.

## BRITISH DIABETIC ASSOCIATION RESEARCH GRANTS

DR FM ASHCROFT, UNIVERSITY LABORATORY OF PHYSIOLOGY, UNIVERSITY OF OXFORD
"Regulation of ATP Sensitive K-channels in isolated pancreatic 8-cells." £86,366 over 3 years

DR D S W BOAM, DEPARTMENT OF BIOCHEMISTRY & MOLECULAR BIOLOGY, UNIVERSITY OF MANCHESTER "Tissue-specific and hormonal regulation of IAPP gene £78,284 over 3 years

DR A COOKE, DEPARTMENT OF PATHOLOGY, UNIVERSITY OF CAMBRIDGE "An investigation of the role of macrophages in IDDM."

£65,983 over 3 years DR M E J LEAN, DEPARTMENT OF HUMAN NUTRITION,

UNIVERSITY OF GLASGOW

\*Development of a barcode system for nutrient intake analysis."

£29,805 over 2 years PROFESSOR P KTHOMAS/DR R H M KING, DEPARTMENT OF NEUROLOGICAL SCIENCE, ROYAL FREE HOSPITAL SCHOOL OF MEDICINE, LONDON
"The endoneurial environment in diabetic polyneuropathy."

EB9,037 over 3 years

EB9,037 over 3 years

PROFESSOR D R TOMLINSON, DEPARTMENT OF PHARMACOLOGY, QUEEN MARY & WESTFIELD COLLEGE, Neurotrophic lactors and nerve gene expression in diabetic

neuropathy." £75,464 over 3 years PROFESSOR E R TRIMBLE, DEPARTMENT OF CLINICAL BIOCHEMISTRY, QUEEN'S UNIVERSITY, BELFAST Aspects of retinal microvascular cell function with special reference to pathogenetic mechanisms in early diabetic

DR PJ WATKINS/DR M E EDMONDS, DIABETIC DEPARTMENT, KING'S COLLEGE HOSPITAL, LONDON "The pathophysiology and treatment of diabetic autonomic neuropathy and the diabetic foot." £142,500 over 3 years

A charity helping people with diabetes and supporting diabetes research.

BRITISH DIABETIC ASSOCIATION



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H DIABETIC ASSOCI



government set training targets From Mr Robert Jackson MP.

Sir. The argument of your leader on training targets (July 26) – that the government should set them rather than employers – is based upon a fundamental mistake.

You compare training with the education service, and con-

You compare training with the education service, and con-tend that just as the govern-ment sets targets for educa-tion, so it should also for training. Here you ignore the central fact that in Britain— as in all (western) economies - training is largely provided by employers, and not by the government.
Government contributes to

the training of young workers (YT and training credits); it pays for training for unem-ployed people (ET); and it contributes, through tax rellefs, to the training costs of employers and (from April 1992) of indi-But, extensive as this is

and the government in Britain spends a higher share of GDP on training than elsewhere all of this only accounts for part of Britain's total training effort. The contribution of employers and individuals makes up the hulk of that

effort.
This is why the government by itself cannot set targets for training. Targets wblcb are meaningful rather than rhetorical can only be set by those who have the responsibility for meeting them. This is why the initiative on behalf of employ-ers to set training targets.

The government intends to play its full part in meeting these targets. Meanwhile it is important that employers should understand the scope and scale of the training challenge they have set for themselves. Robert Jackson,

parliamentary undersecretary Department of Employment, Caxton House, Tothill Street, London SW1

#### Actuaries are not maligned

From Mr Eugene M Smyth.
Sir, Your Lex Column
asserts (July 25) that the UK
actuarial profession is "much
maligned". On what basis is
this abourd statement founded? By all means have your jour-nalistic fun about bell-ringing at the Abbey and changes at BT. But to describe one man's

change of employer as a "shot in the arm" for the profession is risible to a degree. Please, a retraction on both counts and leave the comedy to

Observer. Eugene M Smyth, Brewery Farm Stables, Ansty, Dorset

## **LETTERS**

### Employers, not Competitive advantages for industrial success

dominance of a national R&D budget will not benefit indus-trial export success. Industrial export R&D programmes must

be generated by design and marketing business leaders and their associated research

and academic centres, with

technologists involved but not

controlling.

The same mistake is being

made in the European Commu-nity technology assistance pro-grammes as in the UK: too

From Dr Grant Ledgerwood. Sir, A further point needs to be added about the findings quoted by your correspondents (Letters, Mr Owensmith, July 22, and Dr Budworth, July 27). This is the wider aspects of the the important research on technical and the second control of the control of t technological Innovation and international competitiveness carried out in the US in the 1980s. The most successful industrial economies are those with two competitive advan-tages: the ability to produce appealing consumer-orientated product designs; and to make overseas marketing networks grow rapidly into existing mar-

Good technology is necessary whether from abroad or home-grown, but radical technology is not the quintessence of industrial export success. Germany and Japan have won for over 40 years by having wonderful product/package designers and sales and mar-keting expertise, wrapped around good – not necessarily

advanced - technology. in order to put the British export industrial system in order, priorities must be in design and marketing of prod-

Scientists' and engineers'

us, suddenly being harassed by the inland Revenue.

about £12,000. We received the

regular notice on July 19, But on the same day, we had a threatening phone call. Tha

Revenue had not received our

cheque! Astonished, a senior colleague explained that our

payment would, as usual, be

sent within a week. Today, having signed and despatched

the cheque we had another

call. Bailiffs, of all things, would be dispatched on Mon-

day. This is the institutional

Our monthly contribution is

Two aspects of a monopoly

From Mr Paul Langmaid.
Sir, Your recent headline "C snd W chlef urges end to phones monopoly" (July 11) confirmed in my mind that the FT has an unhealthy interest in promoting the virtues of Cable and Wireless against the vices of BT, as seen by various writers over the past few years. As a consumer in a monopoly telephone system run by C and W, I can confirm that Lord Young would be better employed looking at his own company's record on both cost and consumer rights. Never

much emphasis is going into creating additional technologi-cal excellence, and too littla into product design and exportmind Mr Tony Lane of the European Commission asking why a call from Bootle to Baring systems.

Many scientist and engineer celona costs so much more than a call from Bootle to Bircolleagues find this an uncommingham; he should ask why a fortable conclusion. For instance, which of Britain's technological universities is strongly committed to training call from the UK to Appuilla costs far less than a call from Anguilla to UK; indeed BT's charges are often less than half engineers and scientists alongthose of C and W. side and in tandem with prod-uct designers and export mar-keters? We in the business schools must be more ready to It would be nice if Lord Young "moved decisively towards eliminating monopo-

lies in telephone services and take the lead in restoring Britnatwork Infrastructures" ish manufacturing competitivewhere his company enjoys such advantages.
Paul Langmaid, PO Box 56, The Valley,

A sense of rough justice from the Inland Revenue

bully's way of "sending the boys round". It was all explained to a junior staff member who happened to pick From Mr Patrick Whitten. Sir, There has been massive and I believe largely justifiable - coverage of the high-handed treatment of small up the call. firms by the banks. But I won-der how many others are, lika

Grant Ledgerwood,

Business School, Thames Polytechnic,

Woohoich Campus, Beresford Street, SE18

Your renders may imagine my fury at this situation. It would be funny if it were not so disgracaful. Government departments often take up to a year to pay our invoices. Yet we have pald Revenue and other bills regularly - in bad times as well as good - ever since we began operating 10 years ago. We are not some fly-by-night outfit, deep in debt and liable to fold at the first sign of creditors on the doorstep. Yet accountants 1 know tell of scores of companies that have not paid the Revenue for months, years or even at all. If you are among those who do

#### Less data, less waste?

From Mr Christopher Moorson. Sir, ICI's defence strategy towards an as yet non-existent takeover hld has already become a farce. Postmen-throughout the UK's financial gled to distribute a massive

amount of "junk mail". In an office of 10 Bristol stockbrokers, we have received 13 enormous packages, each costing £1.70 in postage, and containing the publication "ICI World Data". The publication ends with the statement, "ICI

can face the future with confidence and contribute signifi-cantly to a better world". I wonder if Lord Hanson would agree that creating less waste would be a good start? Albert E Sharp,

Spectrum, Bond Street, Bristol Fax service LETTERS may be fused on 071-073 5938.
They should be clearly typed and not hand-written. Please set fax machine for time resolution. pay, yet still get this treat-mant, you may become tempted to join the swelling ranks of those who do not.

So, we are surprised and dismayed at their behaviour towards us. It is as offensive as it is unnecessary. in the new Citizen's Charter, I hope some-one will have the sense to include the Revenue in the legislation. It must be a public service from which we have the right to expect efficiency, courtesy and fair treatment. At present, it is a by-word for clumsiness, bad manners and double standards. Rough justice indeed. Patrick Whitten,

CIT Research 23 Dering Street, Hanover Square, London W1

#### Banking on the British

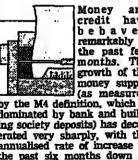
From Mr R F J Spier. Sir, I have always deposited my spare cash with British-owned banks and building socil should compensate depositors of a foreign owned and domi-ciled bank through taxes and bank charges? R F J Spier,

High Street North, Stewkley, Bedfordshire LU7 0EZ

## PERSONAL VIEW

# Another way to keep money growth healthy

By Tim Congdon



by the M4 definition, which is by the M4 definition, which is dominated by bank and building society deposits) has decelerated very sharply, with the annualised rate of increase in the past six months down to only 6.8 per cent. It seems certain that in 1991 as a whole monetary growth will be in single figures. single figures.
This contrasts with the late

1980s, when money growth was usually between 15 and 20 per cent a year. Indeed, it represents a clear departure from the monetary experience of the past 20 years. In the 1970s and 1980s money growth was in double digits almost continuously, and sometimes exceeded 20 per cent a year. If the single-20 per cent a year. If the single-digit money growth in prospect for 1991 were to be repeated in coming years, it would be a new and important trend.

Sustained monetary deceleration to a single-digit rate is essential if Britain is to keep its inflation rate down to European levels in the 1990s and so to make a success of its mem-bership of the exchange rate mechanism. in that sense recent developments are appro-priate and encouraging. However, it is possible to have too

much of a good thing.

The abrupt monetary deceleration of late 1990 and early 1991 has been one cause, per-haps the key cause, of the severity of the current recession. Although the growth of the money supply has fallen from an annualised rate of 20

Money and per cent in late 1989 to little credit have more than 5 per cent now, credit have be b a v e d inflation has remained high until quite recently. People have tried to hold on to their money supply (as measured by the M4 definition, which is dominated by bank and build to hold because of high interest traces and new tax incentives. rates and new tax incentives on tax-exempt special savings

accounts.

With the aggregate money stock growing only slowly and the personal sector's money holdings still increasing quite strongly, the money balances held by companies have fallen. The slowdown in monetary The slowdown in monetary growth has therefore been accompanied by a barsh squeeze on corporate liquidity, and companies have reacted by cutting back on investment and stocks. These cuts have hit demand, output and jobs. The pattern of economy-wide monetary deceleration coinciding with liquidity strains in the corporate sector was also found in the recessions of 1974 and 1980. It demonstrates with striking clarity the connection between changes in monetary between changes in monetary growth and fluctuations in eco-

nomic activity.

The government recognised long ago that it would not be abla to reduce inflation with-out going through a dellation-ary ordeal of some sort. But it recession. If it accepts that monetary growth and economic activity are related, lt should stabilise monetary expansion or perhaps even boost the rate of money growth a little. In this context, the reduction in interest rates from 14 per cent in Fehruary to 11 per cent today has been sensi-

ble, since lower interest rates will stimulate higher credit growth. New loans on one side of banks' balance sheets will create new deposits (that is, money) on the other.

money) on the other.

However, there are grounds for scepticism about an early resurgence of credit growth. Banks are at present more short of capital, and so more reluctant to lend, than at similar stages of previous husiness cycles. The crisis surrounding the Bank of Credit and Comthe Bank of Credit and Com-merce international will aggra-vate this diffidence in lending because it will add another layer of uncertainty to the usual difficulties in assessing the trustworthiness of customers and other banks.
Fortunately, the government

does have another method of monetary management readily available. If the growth of credit to the private sector continues to fall, it would still be tinues to fall, it would still be able to stabilise or increase monetary growth by borrowing more from the banking system itself. This would be particularly straightforward at present, because it is running a large budget deficit and also has a series of heavy glit-edged redemptions ahead. By underfunding the public sector hortoning the funding the public sector borrowing requirement (PSBR), the government could offset the weakness of private credit and keep money growth at a moderately high rate of, say, 8 per cent to 10 per cent a year. The case for under-funding the PSBR in mid-1991 has the same basic logic as the case for over-funding it in 1988 and 1989. In 1988 and 1989 the government's priority was to com-bat inflation. Aggressive sales of long-dated government debt were needed, because such sales would have lowered non-

banks' money holdings and curbed the economy's inflation-ary potential. They would also have reduced the undue reliance on high interest rates as the main instrument, the "one golf club", in the government's

But circumstances have changed and the priority today is different. If credit growth slows even further, the recovery may lack its usual mone-tary midwife and could be stillborn. Whereas the govern-ment's refusal to over-fund the PSBR in 1988 and 1989 intensi-fied and prolonged the boom, a refusal to under-fund the PSBR in late 1991 could intensify and prolong the recession. lt should be emphasised,

It should be emphasised, notably to those who suffer from a certain doctrinal fussiness in these matters, that the proposal being made here has nothing particular to do with "monetarism", "Kaynesianism", "ERM ism" or whatever. The underlying ideas are simple and rooted in standard monatary theory. However. monatary theory. However, Keynes did make references to keynes did make reserences to funding in the General Theory, including the statement that an offer "by the central bank to buy and sell at stated prices gilt-edged bonds of all maturi-ties, in place of the single bank rate for short-term bills, is the rate for short-term bills, is the most important practical improvement which can be made in the technique of monetary management. Unlike the British government, with its inexplicable enthusiasm for a "full funding" rule, Keynes favoured variations in funding as a means of influencing macroeconomic outcomes. The author is managing director of the economic consultants, Lombard Street Research

#### **Robert Mauthner**

# The EC is found wanting



FOREIGN should ba FOREIGN should be making efforts to stem the bloodshed and help find a peaceful solution to

the country's future. The EC, with which Yugoslavia has trade links and which most

trade links and which most Yugoslavs aspire to join one day, appears to be the only body which has the confidence of the majority of the republics to undertake such a task.

Yet the means so far employed by the Community for this purpose have been as derisory as those of the legendary Dutch lad who stuck his finger in the hole in the dike. The decision this week to The decision this week to increase the number of EC peace monitors from 50 to 150 and to extend their mandate to cover operations to areas in Croatia, where scores of Croats and Serbs have been killed over the past few days, can do little to stem the relentless tide of ethnic conflict.

Neither the EC nor anybody else can impose a solution on the Yugoslav people. But the EC must clarify its ultimate political objectives in offering its help; otherwise what is it doing in Yugoslavia at all? Is the aim still to preserve the Yugoslav federation as a single state or are the Community and the US now prepared to contemplate a break-up of the country and to forge links with its former constituent republics, such as Slovenia and Croa-

tla, which have already declared their independence? Opinions are clearly divided within the Community, reflecting historical alliances which should have no part in an objective analysis of the sit-uation in Yugoslavia today. Chancellor Helmnt Kohl of Germany and his Christian Democrat supporters appear to be anxious to recognise the independence of Croatia and Slovenia here and now, while President François Mitterrand of France continues to support Serbia's insistence on preserving a unified state.

"The era of great empires in the Balkans is over," Mr Mit-terrand said after his recent meeting with Mr Kohl at which he apparently persuaded the German leader to delay any

The Community is right to intervene in Yugoslavia. But its efforts so far have been derisory

move to recognise the indepen-dence of Slovenia and Crostia. But the suide reference to the Austro Hungarian empire's domination of large parts of the Balkans, not to speak of Germany's support for the Croat nationalist movement during the second world war was not lost on public opinion.
Even if Mr Mitterrand's suspicions of German empirebuilding were plausible, they would still not justify the maintenance of the present Yugoslav federation at all costs. What appeared to be a costs. What appeared to be a sensible policy only a few months ago has been overtaken by events and has become more and more unreal-

that other European countries

did not want to see Yugoslavia

break up in turmoil. Quite

Crost, their separate identities and cultures have always been the most important factors in

their make up.

The grandiose concept of a union of south Slavs, which emerged from the ruins of the Austro-Hungarian empire in 1918 in the form of e "kingdom 1918 in the form of e "kingdom of the Serbs, Croats and Slovenes", was flawed from the beginning. It was dominated by Serbla and, within 10 years, gave birth to the extreme Croat nationalist movement, the Ustasha, eventually installed as an independent regime by the Nazis after their occurrition and dissolution of occupation and dissolution of

the Yugoslav kingdom in 1941. The creation of a Croat nation state by the occupation forces led to a further serious deterioration in relations

The EC cannot impose a solution. But it must clarify its ultimate political objectives in offering its help, otherwise what is it doing in Yugoslavia at all?

apart from the risk that such a conflict could spread to neighbouring countries, the wave of emigration set off by a civil war in a country of 24m could have alarming international

Yet facts have to be faced. With the escalation of ethnic in-fighting from Kosovo to Slovenia and, even more seriously, to Croatia, which harbours a 12 per cent Serbian minority, it is now clear that Yugoslavia cannot be expected to survive in its present form. That should hardly come as a aurorise when one looks at the country's history. The passionate support given by fans to (federal) Yugoslav football teams cannot be taken as a demonstration of true Yugoslav identity. There is no such thing as a real Yugoslav. He or she is either a Serb (36 per cent), a Croat (20 per cent), a Moslem (9 per cent), a Slovene (8 per cent), an ethnic Albanian (8 per cent), a Macedon-ian, a Montenegrin or a Hungarian. They become Yugoslavs only to outsiders. Though many of them speak

countless thousands of whom were murdered by members of the fascist regime, together with Jews and gypsies. It was not until after the liberation of Yugoslavia, thanks to the efforts of the Croat partisan leader, Tito, that Yugoslavia became, for some 35 years, any thing like the unified state envisaged by its original found-

ers in 1918. Tito's prescription for the new Yugoslavia was an eco-nomically and culturally decentralised federation of six republics and two autonomous provinces under a centralised, multinational communist die tatorship. Nationalist ferment was never eliminated, but the power and personality of Tito, unconditionally backed by the Communist party and the army, gave him the authority to act as an effective arbiter between the various republics and ethnic groups. Tito's wartime achievements, his defi-ance of Stalin, his international standing as one of the leaders of the Non-Aligned Movement and the relative sucnomic policies gave his regime a legitimacy that has eluded

subsequent governments.

It needed a dictator of his stature to keep Yugoslavia together. After Tito's death in 1980, the system of collective presidencies and need for con-sensns between the regions sensns between the regions have deprived the country of firm leadership. The deterioration of the economy has gone hand in hand with a revival of regional unrest. This was provoked in the first place in the ethnic Albanian-dominated province of Maccolo by the province of Kosovo by the greater Serbian ambitions of Mr Slobodan Milosevic, the charismatic, populist Serbian leader, but soon spread to

other regions.
The situation is now close to desperate. There is a complete stalemate between Croatia and Slovenia, which want their independence, and Serbia and Montenegro which are fundamentally opposed to anything less than the centralised federal system under the present constitution. Equally serious is Mr Milosevic's demand that, if any further decentralisation takes place, internal borders must be changed to bring the Serbian minority in Croatia into a greater Serbia.

No easy solutions exist. It seems clear, bowaver, thet while the maintenance of the present federation is unrealistic. It is not in the best interests of the various republics to go completely their own way Their economic and political relations with the outside world, particularly the EC, would be best served if they continued to act as a single monetary and trading entity. This could be done within a looser confederation than the existing system and without fundamentally undermining their political antonomy. Even some adjustments of internal borders must not be ruled out if that can be done peacefully

a big if and lead to
greater ethnic peace.

Apart from sending cease fire observers and, possibly, some peace-keeping forces in the longer run, the EC could usefully apply itself to offering expert advice on a future constitution for a loose confederation of southern Slav states. The future shape of the Balkan region is, after all, of direct interest to a Community which is in the process of forging new relations with eastern Europe.

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Employers' survey shows no end in sight for UK economic recession | UK probe

# Output fall shatters recovery hopes

By Peter Norman, Economics Correspondent

UK government hopes for a recovery in the economy were dealt a serious blow yesterday when the Confederation of British Industry, the employ-ers' organisation, reported fall-ing confidence, orders and out-

put in manufacturing industry. The latest CBI quarterly industrial trends survey showed that hopes that the recession would start to ease had not been fulfilled over the past three months.

"The recession has continued to bite deeper," said Mr David Wigglesworth, chairman of the CBI panel that oversees the survey. "It is too early to speak of recovery." He warned that the recovery could be delayed until next year and that when it came it would be "modest and slow".

He called for an early cut in interest rates of at least 1 percentage point to restore business and consumer confidence. Such a move would reflect industry'e progress in bringing inflation under control.

The survey of nearly 1.300 of UK manufactured exports

By George Graham in Paris

THE FRENCH government is

expecting only a hesitant recovery in the economy, and is to curb spending next year in line with its pessimistic fore-

cast for growth.

Mr Pierre Bérégovoy, the finance minister, warned yesterday that, after zero growth

in the first quarter of this year, the economy might have

remained almost flat in the

second quarter.

Despite some signs of an upturn, he said it was impossi-

bie to predict a growth rate for the whole of this year. For 1992, however, Mr Béré-

govoy said he expected growth

tion for Economic Co-operation

and Development, the Paria-based grouping of industria-

The French government has

se its budget for 1992, but Mr Beregovoy's pessimistic fore-

not yet finalised the economic projections on which it will base its budget for 1999

lised nations.

French doubts

curb spending

and more than 2m employees, showed that more companies were reporting cuts in their output prices than increases for the first time in 24 years.

Mr Wigglesworth forecast that manufacturers would con-tinue to shed jobs at a rate of 6,000-7,000 a week after the survey had shown a greater loss of jobs over the past four months than at any time since October

His prediction coincided with a warning from the Soci-ety of Motor Manufacturers and Traders that the motor trade and industry faces a further 40,000 job losses in the next year.

The CBI's gloomy survey contrasted with recent state-ments from Mr Norman Lamquer, who spoke bullishly about the economy in a radio

interview on Sunday.

Yesterday Mr John Maples,
the economic secretary to the
Treasury, admitted that the survey was a "slight setback". It emerged that Mr Lamont

The Treasury said the weakening of optimism shown by the latest survey largely reflected a normal seasonal dip in business confidence between April and July. Hopes of economic recovery had also been artificially boosted in April by the end of the Gulf war.

Officials said monthly CBI surveys of manufacturers' out-pnt expectations suggested that the Gulf war emboria had corrected itself in May. There had been continuing signs of improvement since then, and there was no reason to question the government's forecast of a recovery in the second half of this year. Other commentators were

less sanguine, bowever. Mr Peter Spencer, UK economist of investment house Shearson Lehman Brothers, said: "Apart from an improvement in unit costs, they are a disappointing set of figures. The sharp falls in orders and deliveries against expectations in April were par-ticularly significant, he said.

when he spoke of a "definite increase in optimism" in the economy.

The CBI survey reported that orders fell more sharply than at any time since January 1981.

Mr Michael Saunders, an economist at Salomon Brothers International in London, said the recovery would be held back by weak investment spending, high inventory levels and weak personal income as and weak personal income as job losses continued. He warned that the service and property sectors, not included in the CRI survey, were likely to recover more clowly than manufacturing because of heavy indebtedness.

The survey had only a limited impact on financial markets. The pound firmed slightly against the dollar, D-Mark and other leading currencies as investors calculated that the government would not be panicked into an early cut in interest rates. Equities in London closed little changed, with the FT-SE 100 index at 2,595.6, up 0.6, after trading above 2,600 for much of the day.



Bérégovoy: pessimistic forecast for growth in 1992

would sim to keep the deficit close to FF130bn, he said. Since President François Mitterrand has promised not to increase the tax hurden any further, Mr Bérégovoy said

This meant that growth in government spending would have to be limited to approxi-

cast implies that tax revent whose volume is closely linked to economic growth, could remain depressed next year. Mr Bérégovoy said yesterday that tax revenues in 1991 were likely to fall FFr35bn-FFr40bn

ikely to tall FF735bn-FF740bn
short of the FF71,47bn
(\$251bn) originally forecast in
the budget for the year.
The minister said this meant
that the budget deficit for this
year would now exceed the
FF730bn target initially set,
although be declined to predict
by how much The enveryment

by how much. The government had already taken a series of measures, including a freeze on some FFr26bn of previously close to 2 per cent, much less than the 2.7 per cent growth in gross domestic product fore-cast recently by the Organisarogrammed spending. For 1992, the government

central government taxation would remain stable next year.

mately tha rate of inflation, Spending on industry, justice, than 3 per cent next year, and remain flat in volume terms. Spending on education and research, which remain the government's budget priorities, will rise by nearly 6 per cent.

and sports will rise, and employment credits will increase to FFr69bn from FFr65bn this year. Other ministries, especially defence, will see their budgets cut.

## **US** to close another 80 **overseas** army bases

By Peter Riddell, US Editor, in Washington

THE US intends to shut down or substantially reduce operations at an additional 80 military bases overseas, mainly in Germany. This is a further major stage in a pro-gramme which will lead to the abandonmant of one-third of the US's 1,600 foreign bases by

The disclosure comes as Congress is debating President George Bush's recommenda-tion to close 34 domestic mili-tary bases and to reduce operations at 43 others by 1997. The timing of the announcement is partly to persuade Congress that the impact of the cuts is not all at home, as many legislators have argued in favour of tilting the balance towards foreign base closings.

The cutbacks are a response both to budget pressures and the end of the Cold War. The Pentagon did not immediately identify the sites affected, though they apparantly include large bases, small garrisons and ammunition depots and support sites. Apart from Germany the bases are in the Netherlands, Italy, Spain and

Last September, the US announced that it would close or reduce operations at 150 facilities throughout the world, including 106 in Germany The US is cutting its 2m

strong armed forces to about 1.6m by the end of 1995 and is proposing to reduce its roughly 300,000 troops in western Europe to 219,000 by the end of this year, and then down to no more than 150,000 by 1995.

WORLDWIDE WEATHER

## Brussels to impose conditions on German car battery merger

By Andrew Hill in Brussels

THE European Commission is today expected to approve the proposed merger between the car battery operations of Ger-many's Robert Bosch and Varta. Competition hardliners had expected Brussels to block

the merger.
However, Sir Leon Brittan, the EC competition commissioner, will impose conditions on the merged group - which would have an annual turn-over of DM909m (\$511m) - to ensure continued competition in the German market.

The conditions are likely to involve boardroom reshuffles at Varta and some of its competitors, and the ending of licensing agreements with some other battery manufacturers.

Today's announcement, though less controversial than a decision to entlaw the deal

a decision to ontlaw the deal, will keep alive the debate about Sir Leon's interpretation

of the EC merger control regu-lation, which is now nearly a year old.

Sir Leon will insist that links are severed between Varta and two smaller competitors, Deta and Mareg. They are part of the empire controlled by the German Quandt family, which controls the BMW vehicle group and 60 per cent of Varta.
The commission is expected
to ask that directors shared by the Quandt companies give up some of their boardroom seats, and that a licensing agreement between Varta and the smaller

companies is ended.
EC merger officials' concerns
about the deal were reduced
last month when a Fist battery subsidiary bought one of the companies rivals, Accumulato-renfabrik Dr Theodor Sonnenschein, guaranteeing continued intense competition in the Ger-man market.

ing up and a full investigation

of a company which has been run fraudulently."

In his rejection of an imme-diate winding up, however, Sir

Nicolas said that the Bank was "putting undue stress on the English sterling depositors at the expense of other credi-

The BCCI problem, Sir Nic-

olas said, was a worldwida one. There were 1.25m BCCI

depositors in all and the court

had to consider them and their interests as a whole. Abu Dhabi has deposited

£50m in the London branch of the National Bank of Abu

Dhabi, £43m of which will be

However, it is thought that the German merger authori-ties, which were refused per-mission to handle the case themselves in April, would have wanted to block the deal on the grounds that it is likely to give the group a large share of the replacement market for car batteries in Germany.

At the same time, Sir Leon's commission colleagues dis-puted the principles applied by the merger task force, which decided that the relevant mar-kets in this case were Germany and Spain and not the EC as a

However, the commissioners are unlikely to try to change Sir Leon's decision when they meet this morning. The Brus-sels competition directorate is preparing a policy paper on its interpretation of the reference market for takeovers in different business sectors.

## BCCI winding up delayed

And the second s

Continued from Page 1

the winding-up petition until December 2 to enable discus-sions to continue about ways to rescue BCCL

The Bank had argued that Abu Dhabi's proposals would not give some of the 48,400 sterling depositors as much as they would get under the statniory depositors protection scheme if BCCI were wound

up.

The statutory scheme gives depositors 75 per cent of their loss, up to a maximum of £15,600. The Abu Dhabi scheme has a maximum pay-

ment of 25,000.

In an affidavit to the court,
Mr Brian Quinn, head of banking supervision at the Bank,

added: "As a matter of public policy it is important that there should be an early wind-

be wound-up, or from BCCI itself if it were successfully

Under the Abn Dhahi plan, BCCI's UK employses will today be paid a total of \$1.2m, to cover 14 days' salaries and expenses. Every week Abu Dhabi will pay the liquidators a further week's salaries for employees. If the salary pay-ments stop, Touche Boss will be able to apply to the court to dismiss some or all of the

used by BCCI's provisional liq-uldators for the benefit of UK

sterling depositors.

The money will be paid in the form of loans, and will be recoverable by Abn Dhabi from the UK's depositors protection scheme if BCCI were to

## launched into Rubin **Associates** activities

By Norma Cohen in London

A GROUP of investors from New York's ultra-orthodox Jewish community prompted the collapse of David Rubin Associates, the London-based trading company whose owner has vanished leaving behind him lesses of at least £60m (\$100m).

This emerged yesterday as the Bank of England said it the Bank of England said it had opened an inquiry into possible illegal deposit-taking activities by the company, and a London-based precious metals dealer said his company faced collapse as a result of his dealings with Mr David Rubin, who headed the company.

The New York investors, from the city's closed ultra-or-

from the city's closed ultra-or-thodox community, confronted Mr Rubin at his North London office about three weeks ago seeking the return of about

Having failed to get their money back, the group became convinced he was insolvent and informed other investors in London. While Mr Rubin had been able to meet requests for cash repayments from indirocash repayments from manviduals for several million
pounds, New York-based investors were said to have
accounted for about a third of
his deposits – about £20m.
The day after the confrontation, Mr Rubin admitted to a
group of London-based investors that he had lost you to

tors that he had lost up to £60m. The funds had been raised from the communities in Loudon, Antwerp, Amster-dam, New York, Zuzich, Can-ada and Israel. Since then, Mr Rubin is said to have left the

The story of how Mr Rubin persuaded so many people to entrust him with so much money lies in the nature of the tight-knit ultra-orthodox com-munity where family, piety and personal connections count for far more than a credit rating and funds are loaned freely among family

While the scandal has been the talk of orthodox congregations for weeks, not one comlaw enforcement body, and neighbours are reluctant to

neighbours are reluctant to admit to each other that they have lost money.

Investors believed that they were investing in Mr Rubin's trading company, D M Rubin and Associates. He refused investments of less than £250,000, and smaller investors. tors were urged to form con-sortia to allow them to partici-

pate.
While many of Mr Rubin's warne, one Antwerp-based businessman recalled his activities in Zaire, where the company acted as an intermediary, importing goods such as air conditioners, tyres and perfume into the

The office had been run in the early 1980s by Mr Rubin's associate, Mr Eli Elhyani, while Mr Rubin travelled the world arranging deals. Since 1986, the office has been run by Mr Elhyani's hrother,

One early deal involved the purchase and resale of Roma-nian-made tyres from a Lon-don-based diamond dealer. However, the tires proved defective, blowing out after short distances on the road and Mr Rubin's firm refused to

make payment for them. Last night one London-based businessman, who spoke on condition of anonymity, said be had been persuaded to entrust almost all his com-pany's funds to Mr Rubin solely on his reputation.

The husinessman, a dealer in precious metals, said he had in precious metals, said he dan been approached by Mr Rubin in late spring and asked if he would like to purchase unre-fined precious metals through him. The man sent a large sum of money to Mr Rubin's bank account while Mr Rubin signed a contract for delivery of the metals, to be received no later than midnight

The businessman said that since last week he has been trying to find Mr Rubin or his associate, Mr Elhyani.

"He showed me a brochure describing the trading activities which said he had offices in Zaire, Sierra Leone, South Africa and a few other African countries. But frankly, I never even called his bank. His reputation was enough for me," the businessman said.

## THE LEX COLUMN Shades of grey at the CBI

FT-SE index: 2,595.6 (+0.6)

It seems the fate of economic

series these days to be buffeted

by external events. In its first

quarterly survey this year, the Confederation of British Indus-try caught its members in the depths of despondency just before the outbreak of the Gulf

war. Three months later it caught them at the peak of

post-war emphoria. The latest survey, unsurprisingly enough, finds them somewhere in

Whatever alse it does, the

survey does not support the view that the economy has actually hit bottom. If so, the

central question on whether

people are more or less opti-mistic about their industry

mistic about their industry than four months ago would find them equally divided. In the event, one eighth of the sampla felt bettar, threa eighths felt worse and half felt the same. But on the assumption, as euggested by BZW, that the confidence measure is a good indistant of corporate

a good indicator of corporate

a good macator of corporate earnings nine months in advance, the picture remains consistent with a weakish upturn in profitability by the spring of next year. That same weakness is good news for inflation, as indicated by the fact that a next or majority of fact that a next or majority of the fact that a next or majority of the same weakness.

fact that a narrow majority of firms actually cut their prices in the last four months.

The underlying reality will inevitably be patchy, by region and by industry. Big firms feel

better than small ones. Wales feels better than England and

Scotland worse. The industrial

chemicals sector, which, as ICI

has demonstrated, went early into the downturn and may be

into the downturn and may be emerging early, is markedly more cheerful than average. It may be objected to all this that industry was wholly wrong in its expectations three months ago and may be so again. But the history of the survey shows have presented by a presentable.

businessmen to be perennially

businessmen to be perennially too sanguine; all that happens at the turning point is that the gap between hope and reality gets narrower. The same spirit of hope extands to the CBI, judging by its familiar call yesterday for a full point off inter-

est rates. A glance at sterling and the money markets and it could have saved its breath.

The pressure on the water

companies is plainly not going

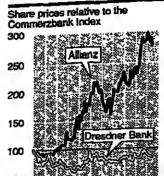
sway. Yesterday's statement from Ofwat in effect states

that, instead of the real growth in dividends of around 4 per

cent implicit at their flotation, the companies may be allowed no real growth at all past the

mid-decade. Since the working assumption for equities as a

Water companies



class is that real dividends will rise in line with GDP, this plainly raises the question of whether the present yield on the water companies of 7.4 per cent is ganerous enough compared with 4.8 per cent on the All-Share.

Granted, it is conceded by the regulator that dividends

Granted, it is conceded by the regulator that dividends may be raised if financed by increased efficiency in the core business. The pessimist might counter by foreseeing a more distant regime in which even the proceeds of efficiency had to be retained to finance greater efficiency again. It might be asked whether the setting of dividend policy setting of dividend policy really lies within the regula-tor's remit; considering bow the political tide has turned against privatised monopolies, the prudent investor would do well to assume the worst.

Allianz/Dresdner There is certainly plenty for

There is certainly plenty for shareholders of Allianz, Europe's leading insurance company, to chew on. First of all the heir apparent chucks it for a distinctly less prestigious job running Bosch's operations in North America. Then comes confirmation that the stake in Dresdner Bank - previously thought to be a little over 10 per cent - has now been raised to 23 per cent.
The DM3hn which the

investment is thought to have cost is neither here nor there for a group with Albanz's strength. The move can be seen, though, as a further sign that the once close relationship between Allianz and Deutsche Bank is cooling, Allianz had already targeted Dresdner as a new distribution outlet for its products when Deutsche decided to proceed with its own insurance operation in 1989. Now the Munich giant

would seem to be demonstrat-

ing the depth of its commit-ment to its northern partner at a time when domestic competition is hotting up at home and there are some daunting chal-lenges alsowhere. Allianz might be keen to raise its stake a little further - just above 25 per cent for a blocking minor-ity - but there seems little prospect of it going any fur-ther. The outgoing chief execu-tive, Mr Wolfgang Schieren, has said the company would get into retail banking over his dead body.

The immediate outlook for

ipool boom

the share price is inevitably linked to prospects for the German economy, though this year investors have begun to view Allianz as an international insurance business as much as a local investment mich as a local investment trust. This may not help the medium term prospects. Although Allianz paid what seemed like fancy prices in the mid 1980s for RAS of Italy and min 1990s for RAS of Hay and Cornhill of the UK, the timing of these deals was inspired and the industry cycle did the rest. Last year's swoops for Fire-man's Fund and DVAG in east Germany were impressively opportunistic moves. But the scale of the task in turning round DVAG was once again round DVAG was once again illustrated yesterday with the 1990 results, while Fireman's could yet be an expensive gamble. The first increase in the core dividend for five years - boosting the yield from 0.4 to 0.5 per cent for foreign investors - is hardly an

It is good to find at least one quoted advertising company which is not in the grip of its bankers. A 10 per cent slide in interim pre-tax profits from the media buying specialist Aegis seems a solid enough performance given the state of its industry and the fact that half the damage can be hlamed on currency movements. There is no put option on the £72m con-vertible. And the strategy of getting out of advertising markets in the US and the UK and concentrating attention on the healthier economies of continental Europe appears to be

The problem for the shares, which have drifted from their 1991 peak of 244p to last night's close of 192p, is a dissident shareholder. The French com-pany Eurocom, which has an 11 per cent stake, can only sell. 3 per cent a year without Aegis's permission. Until the situation can be resolved, the shares are bound to find it

Taber.

To the Holders of

### Mutual Benefit Overseas, Inc.

Commercial Mortgage-Backed Bonds, Series 1986-1 9%% Sinking Fund Bonds Due February 1, 1996 9%% Sinking Fund Bonds Due February 1, 1998 Zero Coupon Bonds Due February 1, 2006 (collectively, the "Bonds")

The undersigned, as trustee (the "Trustee") under the Indenture dated as of February I, 1986 (the "Indenture") from Mutual Benefit Overseas, Inc. (the "Issuer") under which the Bonds are outstanding, hereby notifies you, as required by the Indenture, that on July 16, 1991 a Consent Order to Show Cause with Temporary Restraints (the "Order") was entered in the Superior Court of New Jersey, Chancery Division — Mercer County for the rehabilitation of Mutual Benefit Life Insurance Company ("MBL") and the appointment of Samuel F. Fortunato, Commissioner of Insurance of the State of New Jersey, and his successors in office as rehabilitator.

of MBL.

The appointment of a rehabilitator for MBL appears to constitute an Event of Default under the Indenture permitting the exercise of certain remedies thereunder and under certain of the Collateral Support Agreements (as defined in the Indenture). However, the Order purports to

Collateral Support Agreements (as defined in the Indenture). However, the Order purports to limit the actions that may be taken against MBL.

A portfolio of commercial mortgages owned by the Issuer together with certain other investments are being held by the Trustee as security for the Bonds. MBL is acting as servicer for the mortgages pursuant to the Servicing Agreement dated as of February 1. 1986 between the Issuer and MBL (the "Servicing Agreement"). A copy of the most recent Servicer Remittance Report containing a list of such mortgages is available to hondholders from the Trustee upon written request.

We have been orally informed by an officer of MBL that for the time being it is the intention.

We have been orally informed by an officer of MBL that for the time being it is the intention.

of MBL (i) to remit to the Trustee collections received by MBL as servicer on the mortgages of MBL (i) to remit to the Trustee collections received by MBL as servicer on the mortgages securing the Bonds, (ii) not to honor its obligation under the Reacquisition and Substitution Agreement dated February 4, 1986 among MBL, the Issuer and the Trustee to replace defaulted mortgages with other eligible substitute investments or mortgage loans and (iii) not to make any payments to the Trustee of funds invested with MBL pursuant to the Repayment Investment Agreement dated February 4, 1986 among MBL, the issuer and Trustee. On July 25 we received 53,440,946.64 from MBL, representing collections received on the mortgages.

We are currently assessing our options and trying to obtain clarification from MBL as to (i) its intentions with respect to its obligations under the Collateral Support Agreements and (ii) the status of the collateral securing the Bonds.

Citibank, N.A., in its individual capacity, has various transactions with MBL which might give rise to a conflict of interest. As a result we have submitted to the Issuer our resignation as Trustee. However, such resignation does not become effective until a successor Trustee has been

Trustee. However, such resignation does not become effective until a successor Trustee has been appointed and accepted its appointment and until that time we will continue to act as Trustee.

Any holder of a Bond in bearer form should file his name and address with the Trustee. for the purpose of receiving future communications with respect to the Bonds. Any questions or communications with respect to this notice may be addressed to the Trustee at the following address:

Ciribank, N.A. Corporate Trust Administration 120 Wall Street — 13th Floor New York, NY 10005

Attn: Mr. Vincent Lopez Telephone: (212) 412-6218 FAX: (212) 480-1628

July 26, 1991

CITIBANK N.A.



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## **FINANCIAL TIMES**

# COMPANIES & MARKETS

O THE FINANCIAL TIMES LIMITED 1991

Wednesday July 31 1991



#### INSIDE

#### Whirlpool boosted by **Brazilian operations**



ances, posted strong econd-quarter earnings yesterday, helped by unexpected profits from its Brazilian operations. Net income for tha three months ended June 30 jumped 57 per cent to \$58m nr

83 cents a share on ravenues which rose only 4 per cent to \$1.77bn. Page 17 TNT warns of loss

TNT, the Australian transport group, yastarday warned of a loss of up to A\$187m (US\$146m) in the full yeer after announcing the longewaited setting up of its global eir express joint venture with five post offices in Europe

#### **ACM** talks to other bidders

Australian Consolidated Minerals, the natural resources group fighting a hostile bid from Western Mining Corporation and Normandy Poseidon, said yesterday it was talking to other potential biddars. Page 18

#### Possum poison



A seemingly harmless, turry marsuplal is put-ting New Zealand's billion-dullar-a-year bact export industry at risk. The possum - which has increased dramatically in numbers inflowing a ban on trapping - invadas grass pasture land bringing bovine tuberculosis to cattle herds. Dal Hayward reports. Page 22

#### **Big boost for Bombay**



Last week's surge no tha Bombay Slock Exchanga confounded analysts. The market should said one who had expected the publication of a tough budgat to adversely affect trading. But gat differently. After steeling themsalves

## ment to soften the blows came as a welcome surprise, Back Page Visitors from the past

A tremor from the past has shaken Banco Ambrosiano Veneto, Italy's biggest private-sector bank, after the news that istituto Opere di Religione - better known as tha Vatican bank

#### Harland Simon profits up 32%

Harland Simon, tha UK process control englneering group, yesterdey reported profits up 32.5 per cent helped by the integration of two acquisitions during tha year. Page 20

## YRM pre-tax falls 35%

YRM, tha UK building design consultant, suflared a 35 per cent drop in pre-tax profits to £1.99m (\$3.3m) in tha year to April 30. Page 21

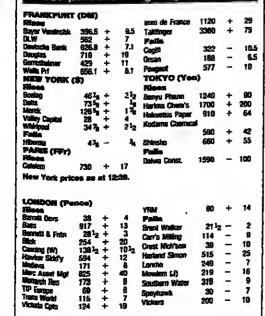
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Benchmark Govt bonds
FT-A Indices
FT int bond svce
Financial futures
Foreign exchanges London recent issues
London share service

London traded options London tradit options Managed fund service Money markets New int bond issues World commodity prices World stock mkt indices

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Oceana Investment		YRM

## Chief price changes yesterday



# Allianz profits decline 9%

By Katharine Campbell in Munich



ance group as "entering a period of consolidation". During the past year, Allianz has taken nn heavy commitments in cast Germany, as well as buying Fireman's Fund of the US for \$3.3bn. The losses in east Germany and the Pireman's result have not een consolidated for 1990. Allianz yesterday also con-

Schieren: Allianz ia 'entering a period of consolidation' firmed that it had secured 23 per cent of Dresdner, Germany's sec-

ond-largest hank. Allianz said this was part of the group's pol-icy of co-operating with - but not acquiring - banks both domestically and abroad. Mr Schiereo cited Allianz's 24 per cent stake in Bayerische Hypoth-eken nod Wechselbank, the Bayarian regional bank. He said both stakes were there to cement ALLIANZ, Europa's largest both stakes were there to cement existing working relationships and that there was no intention

nf exercising any influence.
The stakes were being kept below 25 per cent to avoid possi-ble problems with the cartel authorities, he added. The cartel office in Berlin says it can still examine whether a stake of under 25 per cent allows "considerable influence" to be wielded. However, it bas not decided whother the Allianz/Dresduer
case should be examined.
The cross-selling arrangement
that Allianz has forged with sev-

eral banks last year brought in only DM2bn in sums assured between all the banks. Mr Henning Schulte-Noelle, chief execu-tive of Allianz Leben and appointed to head the group in October, said the group planned to extend its co-operation with Dresdner beyond life products.

Alianz forecasts losses of about DM500m in the current year for Dentsche Vsrsicherung (DV), the east German group in which it has a 51 per cent stake. The Munich insurer plans to inject at least DM330m of new funds into DV this year.

Premium income from east Germany during the first six months of operation to the end of 1990, totalled to DM1.9hn. This is expected to double for the whole

Net borrowing of industrial

and commercial companies

could take as long as eight years to achieve a profit. Allianz has a market share of between 20 and 30 per cent in east Germany.
Allianz is forecasting premium income of about DM48bn for 1991, of which some 48 per cent (compared with 41.9 per cent in 1990) will come from abroad. The US, including Fireman's Fund is

including Fireman's Fund, is expected to contribute DM8.5bn. The German insurer said that it had restructured the US investsatisfaction. Mr Schieren would not give a precise earnings fore-cast for 1991, but noted that 1990 costs had risen faster than turn-over. He added that overall

claims were higher this year. Mr Schieren refused to comment on the departure of finance director Mr Friedrich Schiefer, who was due to take over as chief executive in October.

#### Simon London reports on the corporate quest for fresh sources of funding in the UK

## Companies seek ways to loosen debts that bind

K COMPANIES are seeking new sources of funding, hoping to reduce
their dependence on the banks by
selling debt securities to institutional investors.

Doubts about the willingness or ability of the banks to fund any upturn in the economy, at least on terms which companies find acceptable, underlie this search for new sources of

This week's £55m (\$93m) bond issue by Pubco - a joint venture formed by four small brewery companies - emphasises the engerness of smaller UK companies to tap sources of funding apart from the banks. Even the biggest corporations are finding bank finance more costly than

In the late 1980s, a top-rated corporate borrower might have expected to pay an interest mar-gin of only 0.1 to 0.15 percentage points above the London interbank offered rate for a syndicated loan, Today, the company would have to pay a margin two to three times higher.

July has seen a flurry of sterling bond issues. British Steel, Associated British Ports, Rolls Royce, AMP (owner of Pearl Assurance), and TSB raised £600m in total. Others finding funding in the bond markets this year include British Land, MEPC, Severn Trent, Burmah Castrol, Sainsbury, Sears, British Aero-space and Guinness.

A common factor is the desire to reduce dependence on banks.

from banks.
Banks will remain an important source of shorl-term credit, but company finance directors are keen to leave bank credit lines for occasions when cash is needed quickly.

There are strict limitations to the type of company which can

tap the bond market. Most investment institutions are only keen to buy bonds which are part of an issue big enough to remain liquid in the secondary market, Companies with funding requirements of less than £50m find it impossible to launch a

The second-tier companies have most to fear from any limitation in the availability of bank

public bond issue.

Institutional investors will buy bonds as part of a private place-ment amounting to £10m or less. These securities are not trades-ble. The investor demands a higher rate of interest as compensation: an "Illiquidity premium".

Private placements are attractive compared to bank borrowing, though they cost more than a public bond issue. Crucially, a iong-dated bond issue provides the company with certainty about the availability and cost of funds in future years, in sharp contrast, no bank will provide committed funding for 20 years at a fixed rate of interest. The £55m Pubco bond issue represents an immvative attempt

Many of the borrowers said that the proceeds of the bond issue would pay off short-term loans to cut the cost of non-bank bor-rowing for companies outside the hig league, giving them cheaper access to institutional funding.

Kleinwort Benson, which had the idea, estimated that the four

companies are saving between 0.2 per ceot and 0.5 per cent compared with the costs of four separate private placements.
Pubco is also open-ended: more bonds can be issued via the joint

venture and more companies can join the group with the consent of the existing partners. An earlier transaction for a group of five investment trust

companies raised £55m. The technique may be extended to other areas where a group of compa-nies with broadly similar credit quality and financing requirements can be gathered together.
The Pubco and Trustco bond issues were secured. Kleinwort Benson explained that this fact reflects the preferences of institu-

tional investors. The property and utility sectors may be fertile ground as the companies have heavy asset portfolios. That may not be a limitation to the joint venture approach.

why an unsecured bond issue should not succeed. From the investor's point of view, the beauty of the system is that the bonds are tradeable.

Moreover, credit risk is spread between all the partners in the joint venture company. Yet each borrower's liability remains no greater than its portion of the total issue, because there is no

joint guarantee. Demand for bor- ship of the European monetary

omy starts to recover, however, companies will be seeking to raise additional finance for investment, or to take advantage of depressed asset prices by mak-

ing acquisitions.
In the longer term, analysts are optimistic that UK investment institutions will become a more fertile source of debt finance for companies. Sterling's member-

rowing remains subdued in most system should bring UK inflation industrial sectors. As the econto to the levels of the low-inflation European economies. That would remove the single biggest barrier

companies, a shift toward bonds cannot come too soon.

to the development of a bond market for UK companies: the concentration of UK institutional investors on equity investment.
Only time will tell whether the ERM can change the habits of institutional investors. For many

## Japanese tyre group slashes forecasts

By Emiko Terazono in Tokyo BRIDGESTONE. the Japanese earnings forecasts for the current year due to continuing losses at its US and European

Consolidated pre-tax profits for the year to December, originally projected to rise 10.9 per cent to Y70bn (\$506.9m), are now expected to fail 20.7 per cent to Y50bn, while after-tax profits were cut from a 122 per cent increase to Y10bn to an 11 per cent increase to Y5bn.

cent increase to Y5bn.

The problems stem from the impact of the recession in the US car industry on Bridgestone/Firestone, the US subsidiary largely composed of Firestone Tire and Rubber which it bought for \$2.6bn three years ago.

Bridgestone also attributed the fall to the recession in the world tyre industry, but said that costs from restructuring its global operations including a staff cut of up to 3,000 jobs in the US and Europe would hurt earnings.

Last month, Bridgestone announced the latest restructur-ing plans for Bridgestone/Firestone. The US arm lost some Y47.2bn last year, almost wiping out the substantial profits made by the parent company in Japan and cutting the group's consoli-dated net profit to Y4.5bn.

Bridgestone injected \$1.4bn into Bridgestone/Firestone ear-lier this year to cut by half the US operation's borrowing of about \$3bn and to reduce interest payments. The parent com-pany said that the likely rise in retirement payments, weakening car demand, and increased costs as a result of lower tyre production, would wipe out previously expected profits.

Bridgestone yesterday announced non-consolidated results for the first six months ended June 1991. Pre-tax profits for the parent company tell a year-on-year 20 per cent to Y36.7bn on a sharp decline in exports, which fell 18 per cent to

Overall sales fell a 1.1 per cent to Y348.2bn, on a 7 per cent rise in domestic sales to Y254.7bn. After-tax profits plunged 22 per

cent to Y18.9bn. Tyre sales, which accounted for 73 per cent of total sales, fell 5 per cent to ¥254.6bn, while sales of diversified products rose 11 per cent to a record Y93.6bn. For the whole year, Bridge-

stone expects non-consolidated pre-tax profits to fall 14 per cent to Y77bn on a 1 per cent rise in Pirelli warns on profits,

# Leading US steel makers post second-quarter losses

TWO large US steel manufacturers, USX-US Steel and LTV, yesterday reported secondquarter operating losses as recession cut North American demand and depressed product prices. Mr Charles Corry, chairman of USX, the leading US steel pro-ducer, said that while there were some recent indications that the

economy was turning around, recovery in key steel marksts was expected to be slow.

However, USX's order book
was improving and this, coupled
with changes in plant operations,
should produce better cost efficiencies than in the first half.
USX, which earlier this year
divided its shares into two separate components, representing its
steel and energy interests.

This compared with net incoms of \$84m, or \$1.62 a share, on sales of \$1.6bn in the same period of last year. The steel business had an oper ating loss of \$86m, compared with income of \$80m last year.

producing a loss per ton of around \$41. Weak orders from the automobile, building and white goods industries have been hitting all the major US steel manufacturers, although orders have generally improved from the extremely depressed first quarter of the year, when the Gulf war belped hold back demand.

USX, which ran its steel plants

at 59.4 per cent capacity during the second quarter, said its prices for construction and flat rolled steels (used by car and appliance manufacturers) had fallen while tubular prices has risen a little. The industry is hoping to push through a 4 per cent price rise on high volume flat rolled steel in late September, but analysts are sceptical that this will stick.

Marathon, USX's energy division, reported second-quarter net income of \$64m, or 25 cents, on sales of \$3.5bn, against income of \$128m, or 49 cents, in 1990 on sales of \$3.1bn.

LTV, which has been operating under the protection of the bankruptcy courts since 1986, reported second-quarter net income of \$13.4m on sales of \$1.56bn, compared with income of \$76.6m and sales of \$1.59bn in the same period of last year.
Its steel operations recorded an operating loss of \$23.4m on sales

of \$883m, against a profit of \$38.8m on \$1.02bn sales, while its aerospace and defence business turned an operating loss of \$5.4m, on sales of \$495m, into a profit of \$37.4m. on sales of \$603m

## reported a aecond-quarter net loss of \$39m, or 79 cents a share, from its USX-US Steel group, on Gulf war takes toll on Aegis

By Alice Rawsthorn in London

THE IMPACT of the Gulf war on the European advertising market contributed to a fall in pre-tax profits from £34.5m (\$57.8m) to £31.2m for Aegis, the media buy-ing group, in the first half of this

year.
Aegis also confirmed plans to list its shares in Paris in late September. The group, with sub-stantial French interests through Carat, its Paris-based media buy-ing natwork, has appointed Credit Commercial de France as its adviser and Baco-Allain-Farra

as sponsoring broker.
Mr Peter Scott, chairman, said the listing was intended to enabls French institutions to invest in the group. Aegis has not yet decided whether the listing will involve issuing new shares. Mr Scott said, however, that if so, the issue would be "fairly small".

Aegis, like other European marketing groups, was affected by the Gulf war earlier this year. During the first quarter advertising expenditure in the fivs main markets — which provide 80 per cent of group turnover — fell 7 per cent in real terms compared with the previous year.

Fully diluted earnings per share fell to 11.77p (12.88p) in the half year. The interim dividend, however, is help held at 2.75p.

however, is being held at 2.75p.
Aegis' shares, which had risen on
Monday ahead of the announcement, rose 3p to 192p yesterday.
Turnover rose to £978.9m from
£784.6m mainly because of the contribution from acquisitions. Mr Scott said the existing businesses showed underlying growth of just 6 per cent. Operating profits fell to £33.3m (£37m).

Mr Scott said most European

advertising marksts had recovered in the second quarter, although expenditure in France, the UK and Scandinavia was still

lower than originally expected.

The group's profitability was also affected by changes in exchange rates and in the business mix - reflecting the dis-posal of Aegis' high margin pub-lic relations interests and the

purchase of lower-margin media buying businesses in Scandinavia and the Nstherlands.

Aegis pressed ahead with its expansion during the first half by opening an office in Vienna and appointing representatives in Prague, Budapest and Warsaw. It also took full control of TMD, the UK media buying busi-



#### YUKONG LIMITED

U.S.\$75,000,000 5½ per cent. Bonds due 1996 withWarrants to subscribe for common shares of Yukong Limited

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Baring Brothers & Co., Limited Daewoo Securities Co., Ltd.

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Korea First Investment Ltd. Lehman Brothers International

July,1991

### INTERNATIONAL COMPANIES AND FINANCE

# Puma returns to black on positive performance

By Andrew Fisher in Frankfurt

PUMA, the German sports shoe company which suffered badly in the competitive US market, said yesterday it continued to make profits this year after a positive first-quarter perfor-

Net profits totalled DM8.6m (\$4.9m) in the first half of 1991 against a loss of DM4.4m in the same period last year. Turn-over was 22 per cent higher at DM319m - though this partly reflected the purchase of Puma's Australian licensee. Excluding this, the increase

The return to the black fol-lows the resolution of supply problems in the Far East. Puma, owned by Aritmos of Sweden, had hoped to make s profit last year, but was pre-vented from doing so by the organisational difficulties of

By George Graham in Paris

MR PIERRE Barberis, who last

week took over the failing VEV

textiles group in partnership

with a consortium of creditor

banks, has reached agreement

to sell one of the group's sub-sidiaries in a bid to reduce its

Rothschild et Cie, the Paris branch of the Rothschild bank-

ing group, has agreed to buy

VEV's 50.1 per cent stake in

Gravograph, a mechanical printing business, for FF1375.8m (\$63.6m), through its

By Ian Hamilton Fazey

MR OWEN OYSTON, the

flamboyant Lancashire entre-

preneur, resigned yesterday as

chairman and chief executive

of Trans World Communica-

tions, owner of the local inde-

pendent radio stations in Man-

chester, Leeds, Preston and Cardiff. He faced certain defeat

by a majority of disaffected shareholders within a month

had he carried on.

shifting production to low-cost indonesia and a fire in the Philippines factory.

Despite a 5.4 per cent turn-over rise to DM548m in 1990, Puma made a loss of DM8.9m against one of DM2.6m the previous year.

Its troubles began when it moved into the red in 1986 -the year in which it sold preference shares to the public as a result of the success of rival shoe manufacturers such as Reebok and Nike in the US market. Puma has since concentrated on improving its management structure, mar-keting and distribution, as well as brightening Its products.
Its US presence is limited. Turnover there was less than

would be a separate post from

Trans World Communica-tions lost £1.4m (\$2.24m) last

year after profits of nearly £4m in 1989.

chairman.

restructuring now underway.
The company, which floated
its shares on the Amsterdam \$50m last year against \$300m before its transatlantic prob-VEV to sell subsidiary associated investment compa-

nies Francarep and Euris. The same price of FFr195 s share will be offered to the remaining minority shareholders, valuing Gravograph at FFr750m. Rothschild will then seek to organise an employee buy-out and to sell on its entire holding in Gravograph. The two-stage operation appears to be dictated by Mr Barberis's urgent need to make asset disposals in order to get VEV back off the ground. **Oyston quits Trans World** 

> hle", in volume terms. Mr Harry Roche, chairman of The Guardian and Manchester Evening News, took over as acting chairman and said an immediate search would begin for a chief executive, which

given Italy current plan to develop a 1.27,500bn (\$12.54bn) high-speed train network, covers technical, industrial and commercial co-operation.

## PTH warns of lower first-half

By Haig Simonian in Milan

profits

PIRELLI Tyre Holding (PTH), the Dutch-based holding com-pany for the tyre activities of Italy's Pirelli group, has warned of a further decline in margins this year, despite severe cost-cutting measures over the past 12 months.

As a result, profits in the first half of this year, due in September, will be below those for the second half of 1990, when PTH lost around Fl 49m (\$25.7m). Based on current forecasts, full-year earnings will also not match np to PTH's 1990 results, when it reported a loss of Fl 9.3m after minority interests. PTH said it would revise its full-year forecast in September, but warned earnings would also be depressed by provisions for

stock exchange in July 1989, said money-saving measures announced in 1990 and stepped annumer of the second of the s

European car makers.

Pirelli is locked in a takeover battle for Continental, its German competitor. One of the leading arguments behind its bid has been the need to cut costs and improve both companies' competitiveness. Conti-nental's net profits fell to DM93.4m (\$32.2m) last year, although earnings were buoyed by its non-tyre activi-ties. Turnover at PTH fell to Fl 3.05hn in the first half of this year against Fl 3.16hn in the sama period last year. Sales were "substantially sta-

• FIAT Ferroviaris, the railway equipment subsidiary of Italy's First group, and GEC-Alsthom, the Anglo-French 1989, Reuter reports. engineering group, have signed an agreement to collab-orate on railway equipment. The deal, which is relevant pany official, said the 1990 report would be finalised in two weeks. The 1990 loss could

be slightly below DM300m. Postbank's earnings were squeezed by write-offs linked to sharply higher interest rates on the bank's fixed-rate securi-ties holdings, valued at

# Face from the past haunts Ambroveneto

Roberto Calvi:

mysterinus demise

the 10 per cent barrier, only

thanks to a pool agreement with IOR. The deal was orches-trated by Mr Giovanni Bazoli,

Ambroveneto's chairman, who also happens to be deputy chairman of the San Paolo di

Brescia and chairman of Mittel. Mr Bazoli's arrangement enabled San Paolo di Brescia to

meet its commitment under

the pact. But it is by no means certain

his behind-the-scenes manoeu-vrings will be enough to-guar-antee the stability of the

Ambroveneto syndicate in the

longer term.
For a start, one core share-

holder, Crediop, already looks shaky. Owned by the Italian

Treasury, the company is set

to be taken over by Istituto

Bancario San Paolo di Torino,

the Turin bank which already

owns around a third of its

shares. Few expect the Tori-

nese to retain Crediop's

Ambroveneto holding once

clearer for other members of

That could leave the field

they gain full control.

IOR is back as a core shareholder of the private-sector bank, writes Haig Simonian

TREMOR from the past has shaken Banco A has shaken Banco Veneto (Ambroveneto), Italy's biggest private-sector bank, after the nsws that Istituto Opere di Religione (IOR), better known as the Vatican bank, is back as a core shareholder. Few Italians need reminding

that the IOR, then headed by Cardinal Paul Marcinkus, was intertwined in the 1982 collapse of Banco Ambrosiano -Ambroveneto's predecessor. Nor has it slipped many minds that the mysterious demise of Mr Roberto Calvi, Ambroeiano's renegade chairman who was found hanging under London's Blackfriar's Bridge, has never been solved.

The IOR's return to Ambroveneto's affairs follows a chake-up in the six-member syndicate, which controls around 60 per cent of its shares. As a result, Ambroveneto, which has recovered to become one of the most profitable banks in Italy, may have become more vulnerable to a takeover.

Net profits at the bank rose by 19 per cent to L170hn (\$129.8m) last year, buoyed by its purchase of the smaller Banca Cattolica del Veneto. The profits boost and amicable conclusion of the merger have confirmed Ambroveneto's rep-utation as one of the best run financial institutions in Italy. The news that IOR owns 2.29

per cent of Ambroveneto came after last month's surprise decision by Generali, Italy's biggest insurer, to pull out of the shareholding syndicate it had clamoured to join 18 months before. Generali becsme a core

Mr Werner Merkes, a com-

was less than 8 per cent. Early this month it transpired San Paolo di Brescia and shareholder of Ambroveneto Mittel managed to get shove with France's Crédit Agricole

DEUTSCHE Bundespost Postbank, the banking arm of Ger-many's state-owned postal suthority, made a loss of around DM300m (\$170m) in 1990 after a loss of DM260m in

Paul Marcinkus:

cent stake.

former head of IOR

in late 1989 after another mem-

ber, Banca Popolare di Milano (BPM), decided to sell its 13 per

BPM's shares were split

between Generali and Crédit

Agricole, both of which also agreed to the syndicate's rule

that they raise their holdings

to 10 to 12 per cent within 12 months. In January, the dead-line was extended by six

months at Generali's request. Crédit Agricole reached the 10

to 12 per cent level, but Generali did not go above 5.3 per cent, prompting its decision to pull out of the pact.

Generali's move put the focus on other syndicate mem-

bers, notably the smaller par-

ticipants. None more so than Banca San Paolo di Brescia, a regional bank, which also had

to raise its Ambroveneto stake to the required teval. Together

with Mittel, a small merchant,

San Paolo di Brescia's holding

almost 5 per cent at DM350m mainly due to investments in technical equipment and out-lays for branches abroad and in eastern Germany. Interest surplus rose 9.3 per cent to DM524m, while commission surplus increased by some 5

reports. The company said it had to scale down its earlier forecast that its 1991 results would at least equal those of the previous year because of unspecified provisions which bave to be made. It added that disappointing sales in its

Giovanni Bazoli: members

the syndicate to make a bid.

Crédit Agricole and Gemina,

the investment and financial

services group indirectly con-trolled by Fiat, are the most obvious candidates.

Bank of America subsidiary,

may have become looser, Simi-

cole have their eyes on Ambroveneto. Gemina could be

restricted by new anti-trust

laws, which put a 15 per cent limit on the stakes industrial

companies can hold in banks,

from the anthorities.

may still come in

■ Shareholders in Arnoldo

continuously since the original seven-bank rescue of Banco Ambrosiano nine years ago. He says new members could still come in. Surprisingly, that \*\*\*

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A ...

The Article

MARY

may still be the case with Generali. For although it has pulled out of the syndicate, the giant insurer has still left the door open for Alleanza, its life. insurance subsidiary, to take: Alleanza is one of a group of.

insurers discussing cross-mar-keting links with Ambroveneto. Should their deal come off, many bankers think Genera ali will transfer its Ambrove neto stake to Alleanza as a first step to Alleanza joining the shareholders' pact.

Mr Bazoli says the fact that Generali still has a big holding in Ambroveneto will not influ-ence its choice of an insurance partner. A decision is dua before the end of the year. However, Generali's indirect presence could give the syndacate a new lease of life.

But although it would proba-

Gemina's desire to break into banking is no secret. It is widely believed the company bly scupper any long-term takeover plans by Credit Agri-cole, it could also revive the tried in 1986 to buy Banca d'America e d'Italia, the former once-popular theory that Genand failed after dissuasion once-popular theory that deli-erali, Ambroveneto and Banca Commerciale Italiana, the big Mr Bazoli pours cold water oo suggestions the syndicate public-sector bank, are stillbeing groomed for a three-way merger to form a huge new larly, he sees no signs that either Gemina or Crédit Agri-Italian financial powerhouse.

That scheme, identified with

Mr Enrico Cuccia, the honor ary chairman of Mediobanca, the Milan merchant bank which is one of the biggest shareholders in Generali. is still believed to be close to Mr Cuccia's heart.

while Credit Agricole seems very happy with the present arrangement, he argues. With so much uncertainty.
Mr Bazoli's view that the
shareholders' pact "contains
many novelties", could hold Mr Bazoli also denies further shrinkage of the core share-holders' group is inevitable, even though it has contracted some truth.

#### COMPANY NEWS IN BRIEF

DM16bn. Postbank had to make the provisions because of its switch to industrial style

mously approved the merger of their company with AME Fin-

tle between two leading Italian. entrepreneurs that ended in April, will be 60 per cent con-trolled by Mr Silvio Berlusconi following the merger, Renter reports.

The state-owned Banco di

## CRÉDIT FONCIER . NOT JUST A FRENCH INSTITUTION

Founded in 1852, Crédit Foncier de France is one of France's leading real estate finance and mortgage institutions with assets of FF 326 billion. Yet Crédit Foncier is not just a French institution.

#### Core businesses

The Group's core businesses are subsidised mortgage lending (pursuant to the French State mandate) and open market lending which accounted for loan production of FF 12 billion and FF 25 billion respectively in 1990. Subsidised mortgage lending involves Crédit Foncier acting on behalf of the French authorities in implementing and managing government subsidised home loan programmes for individuals purchasing their prime residences and for landlords offering rent-controlled residential units. This has seen a decrease in loan production during 1990 but the Group does not foresee a significant decline in 1991. The competitive open market activity, on the other hand, has been particularly successful, with loans to local councils or authorities and loans to property developers and investors. New loan production is up over 50 %, moving in Group terms from about half to around two thirds of new loan production. It has shown an 18 % contribution to Group's total loans outstanding in 1990, up 13 % on 1989.

This accelerated growth underscores the Group's successful diversification strategy. To maintain this success in the open market the Group continues to develop innovative loan formulas to broaden the categories of

#### Strategic diversification

In recent years Crédit Foncier has used the skill developed in its traditional businesses to expand its activities both through stragegic diversification and geographic breadth. The strategic diversification increasingly takes the form of partnerships with well established institutions, both in France and

In France, Compagnie Foncière de Crédit, created in 1989 to concentrate on lending to property developers, saw new commitments reach FF 6.5 billion in 1990. saw new commisments reach PF 6.) billion in 1990. The Company's two other finance subsidiaries, l'Auxiliaire du Crédit Foncier and Crédit Logement, also had an active year with FF 3.8 billion generated in open market mortgage lending and guarantees provided to individual borrowers up to FF 19.3 billion for property related loans.

#### Geographic breadth

The Group's diversification has also brought with it opportunities to offer existing and new products to a broader geographic market. In 1990 the Group had two foreign subsidiaries, Capital Home Loans (CHL) in the UK and Sociedad Iberica de Credito Inmobiliario (SICI) in Spain. By the end of 1990 the loans administered by these subsidiaries amounted to FF 1359 million 1,358 million

During 1990 the Group's divisions continued geographic expansion. In Germany a financial services company, Isar-Seine Immobilien, was created through a joint venture with Bayerische Vereinsbank AG which illustrated a Europe-wide policy of joint ventures with local entities. The Group financed transactions on its own or as a syndicate member in Germany. Belgium and Portugal. It also expanded its lending activity to the

In November 1990 Crédit Foncier purchased a 3.5 % interest in Italfondiario, an Italian mortgage lending group. This collobaration has since led to the creation of a new joint venture, Italfoncier, which together with a 50 % owned subsidiary created to finance real estate transactions in the Netherlands, proves our continued commitment to expansion in 1991.

The skills that have made our success possible in France are the skills that we are now taking into the rest of Europe. They make Crédit Foncier more than just a French institution.



#### year results.

accounting principles Bayerische Landesbank Girozentrale reported group partial operating profit rose 15 per cent to DM250m in the first half compared with the same 1990 period, Reuter reports. The bank expects overall 1991 group partial operating profit to rise 15 per cent.

Group operating cost was up

per cent to DM77m.

\*\* Koninklijke Borsnmij
Wehry, the Dutch trading company, expects 1991 net profit to fall considerably short of 1990's Fl 36.5m (\$18.5m), Renter

sports, shoes and audio-visual units had depressed current

Mondadori Editore, the Italian publishing group, have unani-

anziaria. The Mondadori group, the focus of a bitter 18-month bat-

Napoli said it will offer 100m new ordinary shares at a price between L4,000 and L4,500 each to domestic and foreign inves-

All of these Securities having been sold, this announcement appears as a matter of record only.

2,000,000 Shares

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The \$4.00 Convertible Cumulative Preferred Shares (the "Preferred Shares") of Sea Containers Ltd., a Bermuda company ("SCL"), offered are convertible at the option of the holder at any time, unless previously redeemed, into common shares, \$.01 par value (the "Common Shares"), of SCL at a conversion price of \$28.91 per share (equivalent to a conversion rate of approximately 1.730 Common Shares for each Preferred Share), subject to adjustment under certain conditions.

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July 30, 1991

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U.S. \$400,000,000 GUARANTEED FLOATING RATE SUBOROINATED CAPITAL NOTES DUE OCTOBER 1996 CITICORP BANKING

CORPORATION (Incorporated in the State of Delaware) onally guaranteed on a subordinated basis by

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Notice is hereby given that the Rate of interest has been fixed at 6.1875% and that the interest payable on the relevant interest Payment Date October 31, 1991 against Coupon No. 28 in respect of US\$10,000 nominal of the Notes will be US\$158.13.

July 31, 1991, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

at Chart Analysis Ltd



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#### NOTICE

Series G To holders of all debentures of Interprovincial Pipe Line Inc. (formerly named Interhome Energy Inc.)

At the Annual and Special Meeting held April 25, 1991, the Shareholders approved the change of the Company's name from interhome Energy Inc. to Interprovincial Pipe Line Inc. This is a name change only and does not affect your holdings in any way. A new certificate for your debentures will not be issued by tha trustee, Montreal Trust Company, unless in the course of transfer, transmission or partial cancellation.

Please note that all payments regarding interest due made after June 1991 will be issued under the name of Interprovincial Pipe Line Iric.

For your information, our stock trading symbol on the Toronto and Montreal Stock Exchanges has been changed from "IHE" to "IPL" and from "IHEIF" on NASDAQ-NMS to "IPPIF" to reflect the change of name.

INTERPROVINCIAL PIPE LINE INC.

P.O. Box 398, 10201 Jasper Avenua Edmonton, Alberta, Canada T5J 239 Telephone (403) 420-5210

D.B. MacDermott

#### INTERNATIONAL COMPANIES AND FINANCE

The Control of the Co

higher sales

BOEING, the US aircraft

manufacturer, has reported a 17 per cent increase in second-

quarter earnings, thanks to increased sales of commercial

aircraft and lower losses in its defence and space business.

The results were broadly in line with the expectations of Wall Street. Investors have

been warily eyeing aerospace manufacturers for signs of a

of aircraft

By Martin Dickson In New York

## Writes Haig Simonian Pan Am creditors object to Delta's offer on assets

THE dismemberment of Pan Am has hit some unexpected turbulence, with certain credi-tors of the alling airline object-

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NOTICE

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The state of the state of

The state of the s tors of the ailing airline objecting to plans to sell parts of the business to Delta Air Lines.

United Airlines, meanwhile, has withdrawn an offer for other routes.

A meeting of Pan Am's unsecured creditors has objected to a \$310m bid by Dolta for a peckage of assets including its US east coset shuttle service, its Frankfurt hub and several IIS. Europe routes. The creditions US Europe routes. The creditors appear to think the assets might command a higher price.
Their rejection will not necessarily kill the deal, for a final

RHONE-POULENC Rorer, the

us pharmaceuticals company in which France's Rhone-Poul-enc holds o 68 per cent stake,

yesterday turned in strong sec-

ond-quarter earnings.
The company, which was formed last July when the French state-owned chemicals

group took control of the US biotechnology concern for more than \$3bn, had second-quarter net income of \$68.3m,

or 50 ceots a share, against \$23.8m, or 18 cents, on a pro

forms basis in the correspond-

By Karen Zagor

decision oo the disposal of Pan Am assets lies with the bank-ruptcy court, which has sched-uled a hearing on August 12 to consider the Delta plan. How-evor, the package would stand a moch better chance with the support of creditors. Pan Am has been operating under the has been operating under the protection of the court since

the start of the year.

Meanwhile, United Airlines, the secood largest US carrier, anonunced that it had withdrawn its offer for Pan Am's Latin American routes. It refused to elaborate, but there was speculation that it was annoyed that Pan Am manage-mont bad failed to respond

company headed towards their

52-week high, adding \$1 to \$44% at mid-session.

Washington, Pennsylvania, said sales growth had been led

by its prescription products in the US, plasma products world-

wide and over-the-counter products in Germany. It added that it was particularly encour-

aged hy the growth in US sales of Maalox, its over-the-counter sotacid, compared with n

strong second quarter in 1990.

The company, based in Fort

to its proposal.
United initially bid \$190m for the Latin American operations, plus some other assets, but was thought to have raised its

price to \$235m.

Another offer remains on the table from Mr Carl Icahn'o Trans World Alriines, which wants to buy Pan Am's assets for \$420m and then sell part of them to American Airlines. Howevor, TWA is itself struggling to reschedule its heavy debt hurden and bas been in negotiations with creditors recently. One of the court actions involving its creditors was postponed from yesterday

denced by the recent US Food and Drug Administration approval of Nasacort, the first

once o day intranasal steroid for the treatment of allergic

"In spite of the stronger dol-lar, we are confident in our

ability to continue to generate strong growth in earnings," Mr Cawthorn said.

For the first six months, the

until August 9.

oharp drop in orders due to the end of the Gulf war, the financial weakness of several US airlines and the general world economic slowdown.

However, Mr Frank Schrootz, the Booing chairman said requests by gustom Rhône-Poulenc Rorer improves man, said requests by custom-ers to reschedule deliveries continued to affect "a rela-tively small number of aircraft. To date, no firm orders the company was "making good boadway" in brioging new products to market, as evi-

for jet transports have been cancelled." Boeing reported earnings of \$454m, or \$1.32 a share, on sales of \$7.8bn, compared with profits of \$387m, or \$1.12, in the corresponding period of

1990. Sales were \$6.97bn, but the higher aircraft sales were par-tially offset by locreased research and dovelopment spending on Boeing's new 777

spending on Roeing's new 777 civilian airliner project.

Mr Schrontz said that Boeing was still expecting an operating loss in 1991 for its dofence and space business, but this was expected to be significantly less than the \$418m operating loss in 1990. \$418m operating loss in 1990. For the six months, the com-pany reported net earnings of \$763m, or \$2.22 a share, compared with \$689m, or \$1.99, in the first half of last year. Sales rose from \$13.4bn to \$13.9bn.

#### CT raises loan loss provisions

First-half net profit was C\$111m, or 88 cents a share, down 6 per cent from C\$118m, or 95 cents, in the 1990 period.

# Boeing posts | Whirlpool surprises | 17% gain on | with 57% advance

WHIRLPOOL, the world's largest maker of home appliances, yesterday posted better-than-expected second-quarter earnings, helped by unexpected profits from its Brazilian

operations.

Net income for the three months ended June 30 jumped 57 per cent to \$58m, or 83 cents a share. Revenues rose only 4 per cent to \$1.77bm. In the year-oarlier period, Whirlpool recorded net income of \$37m, or 54 cents, on revenues of \$1.71bm.

\$1.71bm.

Wall Street had estimated earnings of 40 to 50 cents a share, and at mid-day yesterday Whirlpool's stock was up \$2% at \$35 in active trading.

The company today is expected to complete its acquisition of the remaining 47 per cent of its European white goods joint yooture with Philips, the Dutch electronics group. Whirlpool said its second-quarter pool said its second-quarter results were not affected by its planned acquisition.

The biggest surprise in the quarter came from Whiripool'o Brazilian affiliates, which contributed earnings of 13 cents a share instead of depleting Whirlpool's profits. In the 1990 second quarter, the Brazilian operations suffered a net loss of 11 cents a share.

Mr Dovid Whitwam, chair-man and chief executive, said Whiripool remained cautious about the Brazilian affiliates' performance, adding that the country's abort-term economic future "remains uncertain".
Whiripool also benefited from a lower tax rate in the quarter. Earnings before taxes and other items olipped to \$78m from \$79m in the 1990

Mr Russell Leavitt, an analyst at Salomon Brothers, said the company was benefiting from cost reductions, and its performance in North America was better than expected. Mr Leavitt has increased his 1991 earnings estimato to \$2.50 a share from \$2.10 a share. Whirlpool conceded that its shipmeots doclined in the

quarter, but said the decline was below the industry average of 6 per cent. In the first six mooths, Whiripoolo net income rose 24

per cent to \$82m, or \$1.18 a share, from \$66m, or 96 cents. Revenues were \$3.39bn, against \$3.34bn.

### Kemper moves into black despite bond write-downs

By Barbara Durr in Chicago

KEMPER, the large Chicago-based insurance and fioaocial services group, reported second-quarter net income of \$33.1m, or \$1.10 a share, up from a net loss of \$111.2m, or \$2.28, in the 1980

The group's earnings in its life insurance segment were badly affected in the first half by junk bond write-downs. However, Mr Joseph Luecke, Kemper's chairman, said these problems had been more than offset by improved earnings in its investment services, reinsurance and property-casualty

insurance busine The 1990 second-quarter loss included a \$126.7m after-tax. charge for restructuring Kemper's brokerage services and a \$19.5m settlement of an arbitration panel award. With-out those charges, the year-ago quarter net income was \$35m,

or 71 cents a share. For the 1991 second quarter, revenues rose to \$769.9m from \$752.8m last year, led by a \$30m increase in insurance premiums and a \$13m rise in net investment income. Total net income for the first

six months was \$104.6m, or \$2.18 a share, compared with a loss of \$72.3m, or \$1.48, in the year-earlier period. Excluding the restructuring charges and arbitration award, net income in the first half of 1990 was

\$73.9m, or \$1.51 a share. Kemper's two life insurance subsidiaries continue to face difficulties, with Moody's last week downgrading their credit paying rating from "excellent" to "good". The company responded by formally committing \$1.8bm in capital against losses. Moody's cited troubled real estate investments as the reason for the ratings change.

Wells Fargn & Company

US\$150,000,000 Floating rate subordinated notes due 1992

In accordance with the provision of the notes, notice is hereby given that for the interest per July. 1991 to 30 August, 1991 the notes will carry an interest rate of 6.0375% per annum. Interest payable on the relevant interest payment date 30 August, 1991 will amount to US\$50.31 per US\$10,000 note.

Agent: Morgan Guaranty Trust Company

**JPMorgan** 

sveimer US\$100,000,000

Floating rate participatinn certificates due 1992

record by Marona Commer Cathil for the purpose of making a loan to Istitute per la Sviluppo Economico dell'Italia Meridionale to statutory hody of the Republic of haly surveyorate No. 298 of April 11, 19531

in accordance with the terms and conditions of the Certificates, the rate of interest for the Interest Deermination Period 31 July, 1991 to 6<sup>5</sup>/<sub>#</sub>% per annum. Interest accrued for the above period and payable on 31 January, 1992 will amount to US\$52.60 per US\$10,000 Certificate.

Ageot: Morgan Guaranty Trust Company

Floating rate subordinated

of the notes, notice is hereby given

that for the Interest Period 31

July, 1991 to 30 August, 1991 the

Notes will carry an Interest Rate

of 61/16 % per annum. Interest

payable on the relevant interest

payment dote 30 August, 1991 will amount to US\$50.52 per US\$10,000 note and US\$252.60

notes due 2000

**JPMorgan** 

Wells Fargo & Company US\$200,000,000 BANK OF MONTREAL

US\$250,000,000 Floating rate debentures, series 9, due 1996 Interest rate for the period 3: July, 1991 to 31 October, 1991

has been fixed at 6 1/4 %. The

amount payable on 31 Octo-

ber. 1991 will be US\$158.13 against couper. No. 30. Agent: Morgan Guaranty Trust Company

Dalwa International Finance

(Cayman) Limited

U.S. \$200,000,000

Subordinated Floating

Rate Notes due 2001

Guaranteed on a

subordinated basis by

The Daiwa Bank, Limited

The Daiwa Bank, Limited London Branch as Agent Bank

31st July, 1991 to 31st October, 199

92 days 6.3625% per a

Interest Period

Interest Rate

Agent: Morgan Guaranty **JPMorgan Trust Company** 

**JPMorgan** 

National Australia **Bank Limited** US\$100,000,000 Floating Rate Notes due 1997

per US\$50,000 note.

Notice is hereby given that the Rate of Interest relating to the above issue has been fixed at 6 74 per cent for the period 31st July 1991 to 31st January 1992.

Interest payable on 31st January 1992 per US\$10,000 Note will be Agent: Morgan Guaranty

Trust Company J P Morgan

#### Income from operations rose to \$147m from \$87m on a pro-forma basis in the 1990 second company recorded net income of \$132m, or 89 cents a share, ing period of 1990. against \$31.7m, or 24 cents, a year earlier oo a pro forma basis. Sales rose to \$1.85bn Sales roso 6 per cent to \$924.8m from \$872.4m a year quarter. Mr Robert Cawthorn, chair-

PWA remains in red for quarter By Bernard Simon in Turontu

..... Car bate lies Canadian Airlines International, reported a C\$35,7m (US\$31m) loss in the second quarter, hringing its deficit for the first half of 1991 to

-- # 11. erste onzeit The Calgary-based company has warned that it will suffer a large loss for the full year, and it expects no significant upturn in business until 1993.

The poor financial performance of both Canadian Airlines and Air Canada, as well as the rapid rationalisation of

Interest Rate

Interest Period

Interest Amount per U.S. \$100,000 Note due

31st October 1991

the international airline industry, has fuelled speculation that the two carriers will be forced either to merge or to forge closer links with non-Canadian airlines.

PWA's second-quarter loss was C\$35.7m, or 75 cents a share, compared with earnings of C\$16m, or 51 cents, in the corresponding period of 1990. Last year's figure included a C\$22m after-tax gain from air-

The results of Canadian's commoter-airline subsidiary

6%% per annum

31st July 1991

U.S. \$1,581.25

31st October 1991

U.S. \$70,000,000

Autopista

Vasco-Aragonesa, Concesionaria

Española, S.A.

Guaranteed Floating Rate Notes due 1995

The Kingdom of Spain

Notice is hereby given that for the six months interest period from July 31, 1991 to January 31, 1992 the Notes will carry an interest rate of 8.4375% per annum. The interest payable on the relevant interest payable on the relevant

By: The Chase Manhattan Back, N.A. London, Agent Bank

July 31, 1991

onelly Guaranteed by

U.S. \$100,000,000

FIDELITY FEDERAL

Collateralized Floating Rate

Notes Due 1992

Credit Suisse First Boston Limited

are included this year, helping to lift operating revenues by 4.6 per cent to C\$701.6m. However, average passenger loads for the quarter slipped to 60.1 per cent from 64.8 per cent.

Yield per passenger mile grew to 17.8 cents from 16 cents. PWA also announced that it had signed a deal for the sale of three Airbus A-310s and options on two others acquired when the company bought the charter airline Wardair in 1989. Cash proceeds from the sale will be C\$150m.

CT FINANCIAL Services, the holding company for the Canada Trust group, has raised loan loss provisions to C\$54m (U\$\$30m) from C\$20m, writes Robert Gibbens in Montreal.

CITIBANCO

All of these securities having been sold, this announcement appears as a matter of record only.

7,250,000 Shares

## **Kaiser Aluminum Corporation**

Common Stock

1,450,000 Shares

The above shares were underwritten by the following group of International Underwriters.

Merrill Lynch International Limited

**Credit Suisse First Boston Limited** 

PaineWebber International

County NatWest Limited

Bear, Stearns & Co. Inc.

Kidder, Peabody & Co.

Salomoo Brothers Inc

Kemper Securities Group, Inc.

Gruntal & Co., incorporated

Jefferies & Company, Inc.

Stifel, Nicolans & Company

Brean Murray, Foster Securities Inc.

Pennsylvania Merchant Group Ltd

W. H. Newbold's Soo & Co., inc.

Jesup, Josephthal Securities Co., Inc.

Mabon, Nugent & Co.

Ragen MacKenzie

Advest, Inc. Robert W. Baird & Co.

Allen & Company

Daiwa Europe Limited

N M Rothschild & Sons Limited

J. Henry Schroder Wagg & Co. Limited

Paribas Capital Markets Group Swiss Bank Corporation

5,800,000 Shares

The above shares were underwritten by the following group of U.S. Underwriters.

Merrill Lynch & Co.

The First Boston Corporation

PaineWebber Incorporated

Dillon, Read & Co. Inc.

Lehman Brothers

S. G. Warburg Securities A. G. Edwards & Sons, Inc.

Interstate/Johnson Lane

Sutro & Co. incorporated Tucker Anthony

The Chicago Corporation

Seidler Amdec Securities Inc.

Scott & Stringfellow Investment Corporation

First Manhattan Co.

McDonald & Company Neuberger & Berman

Raymond James & Associates, Inc.

Fahnestock & Co. Inc.

Ladenburg, Thalmann & Co. Inc.

Dean Witter Reynolds Inc. Cowen & Company Dain Bosworth

Oppenheimer & Co., Inc. First Albany Corporation Janney Montgomery Scott Inc.

Prudential Securities incorporated

Goldman, Sachs & Co.

Legg Mason Wood Walker Piper, Jaffray & Hopwood

The Robinson-Humphrey Company, Inc. Wheat First Butcher & Singer

Crowell, Weedon & Co. Gabelli & Company, inc. Johnston, Lemon & Co. The Ohio Company Parker/Hunter

D. A. Davidson & Co.

Smith, Moore & Co.

Subordinated Floating Rate Notes Due January 30, 1998 Notice is hereby given that the Rate of Interest has been fixed at 6.0125% and that the interest payable an the relevant Interest Payment Date August 30, 1991 against Coupon No. 67 in respect of US\$10,000 nominal of the Notes will be US\$50.10.

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The FT proposes to publish this survey on October 30 1991. 54% of Chief Executives of Europe's largest companies read the FT. If you want to reach this important audience by advertising in this survey, call Patricia Surridge on 071 873 3426. or Fax 071 873 3079

HUNGARY

Data source: Chief Executives in Europe 1990

FT SURVEYS

U.S. \$300,000,000

Woodside Financial Services Ltd. (Incorporated in the State of Victoria) Guaranteed Floating Rate Notes due July 1997

Unconditionally Guaranteed by Australian Industry Development Corporation In accordance with the terms and conditions of the Notes, notice is hereby given, that for the Interest Period from July 31, 1991 to October 31, 1991 the Notes will carry an Interest Rate of 6%% per annum. The amount payable on October 31, 1991 will be U.S. \$3,913.19 and U.S. \$156.53 respectively for Notes in

By: The Chase Menhattan Bank, N.A. London, Agent Bank

denominations of U.S. \$250,000 and U.S. \$10,000.



Goldstar Co., Ltd.

US \$70,900,000 3½ per cent Convertible Bonds due 2006 (the "Bonds) NOTICE IS HEREBY GIVEN pursuant to Condition 5(c) of the Terms and Conditions of the above-mentioned Bonds, that further to the resolution passed at the Board of Director's meeting, held on April 26th, 1991, and the amended resolution passed on July 8th, 1991, to issue 6,600,000 new shares that the Conversion Price for the bonds has been amended as per Clause 6 (C) of the Trust Deed with effect from July 31st, 1991.

31 july, 1991 By Citibank, N.A. (CSSI Dopt) London Principal Paying Agent

US\$250,000,000 GUARANTEED FLOATING RATE SUBORDINATED CAPITAL NOTES DUE JANUARY 1997 CITICORP BANKING CORPORATION

(Incorporated in the State of Delaware)
Unconditionally guaranteed on a subordinated basis by CITICORPO

Notice is hereby given that the Rate of Interest has been fixed at 6.1875% and that the interest payable on the relevant Interest Payment Date October 31, 1991 against Coupon No. 27 in respect of US\$10,000 nominal of the Nates will be US\$158.13. July 31, 1991, London By: Cribank, N.A. (CSSI Dept.), Agent Bank

CITICORPO U.S. \$350,000,000 Subordinated Floating Rate Notes Due November 27, 2035 Notice is hereby given that the Rate of Interest has been fixed of 6.0375% in respect of the Original Notes and 6.125% in respect of the Enhancement Notes, and fixet the interest payable on the relevant interest Payment Date August 30, 1991 against Coupan No. 70 in respect of US\$10,000 nominal of the Notes will be US\$50.31 in respect of the Original Notes and US\$51.04 in respect of the Enhancement Notes. July 31, 1991, Landon By: Cribank, N.A. (CSSI Dept.), Agent Bank

> CITICORPO U.S. \$500,000,000

Subordinated Floating Rate Notes Due October 25, 2005

Notice is hereby given that the Rate of Interest has been fixed at 6.0375% and that the interest populate on the relevant Interest Payment Date August 30, 1991 against Coupon No. 70 in respect of US\$10,000 nominal of the Notes will be US\$50.31.

July 31, 1991, Landon Byr Ciribank, N.A. (CSSI Dept.), Agent Bank

CITICORP •

**CITIBANCO** 

July 31, 1991, London By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANCO

#### SATOUOTE



#### BANCO DI SANTO SPIRITO DD GRUPPO CASSA DI RISPARMIO DI ROMA

ECU 200,000,000 **Term Loan Facility** 

CAJA DE MADRID

HILL SAMUEL BANK LIMITED

BACOB SAVINGS BANK S.C. BANQUE GÉNÉRALE DU LUXEMBOURG S.A. CAJA DE MADRID DG BANK LUXEMBOURG S.A. HILL SAMUEL BANK LIMITED

BANCO DI ROMA INTERNATIONAL S.A. BANQUE INDOSUEZ DEUTSCHE BANK LUXEMBOURG S.A. DEUTSCHE GIROZENTRALE INTERNATIONAL S.A.

STANDARD CHARTERED BANK

DEUTSCHE GIROZENTRALE INTERNATIONAL S.A. CRÉDIT LOCAL DE FRANCE DG BANK LUXEMBOURG S.A. BACOR SAVINGS BANK S.C. BANCO DI ROMA INTERNATIONAL S.A. BANQUE GÉNÉRALE DU LUXEMBOURG S.A. CAJA DE MADRID HILL SAMUEL BANK LIMITED DEUTSCHE BANK LUXEMBOURG S.A. STANDARD CHARTERED BANK

Co-Lead Manager

CAJA DE AHORROS DE ASTURIAS - 'CAJASTUR'

COM CAJA TOLEDO

BANQUE ET CAISSE D'EPARGNE DE L'ETAT, LUXEMBOURG CAIXA DE PONTEVEDRA CAJA DE AHORROS Y MONTE DE PIEDAD DE GIPUZKOA Y SAN SEBASTIAN

BNL INVESTMENT BANK PLC CAJA DE AHORROS Y FENSIONES DE BARCELONA - LA CAIXA CAJA DE AHORROS MUNICIPAL DE BURGOS - CAJABURGOS BANCO DI NAPOLI INTERNATIONAL S.A. - LIERRIBOURG BANCO DEL COMERCIO, S.A. CAJA DE AHORBOS DE GALICIA - CAIXA GALICIA CAJA DE AHORROS Y MONTE DE PIEDAD DEL CIRCULO CATOLICO DE OBREROS DE BURGOS

CAJA VITAL KUTXA, CAJA DE AHORBOS DE VITORIA Y ALAVA HILL SAMUEL BANK LIMITED

CAIA DE MADRID



#### Instituto de Crédito Oficial

Yen 20,000,000,000

Statutorily Guaranteed Floating Rate Notes due 2000

For the interest period from July 31, 1991 to January 31, 1992 the Notes will carry an interest rate of 7.4% p.a.

The coupon amount pertaining to each Note of
Yen 100,000,000 for this period will be Yen 3,730,411 and
will be payable on January 31, 1992

Listed on the Luxembourg Stock Exchange The Industrial Bank of Japan, Limited, Tokyo Agent Bank



**CHASE MANHATTAN OVERSEAS** BANKING CORPORATION

US\$150,000,000

Floating rate notes due 1993

For the six months 31 July, 1991 to 31 January, 1992, the rate of interest has been fixed at 6 7/16 %. Interest payable on the relevant interest payment date, 31 January, 1992 against Coupon No. 27 will be

Agent: Morgan Guaranty Trust Company

**JPMorgan** 

### NMB POSTBANK GROUP

NMB Postbank Groep N.V.

U.S. \$100,000,000

Floating Rate Notes Due 1992

In accordance with the provisions of the Notes, notice is bereby given that, for the six month period 31st July, 1991 to 31st January, 1992, the Notes will bear interest at the rate of 61 per cent, per annum. Coupon No. 13 will therefore be payable on 31st January, 1992, at the rate of US\$8,385.42 from Notes of US\$250,000 nominal and US\$335.42 from Notes of US\$10,000 nominal.

S.G. Warburg & Co. Ltd. Agent Bank 

NATIONAL BANK OF HUNGARY U.S. \$100,000,000 Floating Rate Notes due 2000

Pursuant to Note conditions, notice is hereby given that for the interest period 31st July, 1991 to 31st January, 1992 (184 days), the following interest rates will apply:

15 YEAR LONG-TERM NOTES (Coupon No. 14) Rate per annum: 61%%
Amount per coupon: US\$ 354.58
Payable on: 3lst January, 1992 **3 YEAR SHORT-TERM NOTES** (Variable Coupon Numbers) Rate per annum: 6%%
Amount per coupon: US\$ 335.42 Payable on: 31st January, 1992



UCB

THE LONG-TERM CREDIT BANK OF JAPAN, LITD. London Branch



20.94 20.94 20.94 20.94 20.94 20.94 16.32 17.42 17.42 17.42 17.42 17.42 17.42 17.42 17.42 17.42 21.45 22.25 22.25 25.25 

Security Pacific

Corporation

Dutch Guilders 250,000,000 Floating Rate Notes 1985 due 1996

nce with the terms and

In accordance with the terms and conditions of the Notes, notice is hereby given that for the interest period from July 31, 1991 to January 31, 1992 the Rate of Interest has been fixed at 8 per cent and that the Interest payable on the relevant Interest payable on the relevant Interest Psyment Date, January 31, 1992, against Coupon No. 12 in respect of Net 200 permise of the Notes.

Uses, survey or coupen for No. 12 in respect to Nig50,000 negatinal of the Notes will be Nig2,044.44, and in respect of Nig100,000 nominal of the Notes will be Nig4,088.86.

U.S. \$100,000,000

Allied Irish Banks Plc

Subordinated Primary Capital
Perpetual Floating Rate Notes
in accordance with the provisions of
the Notes, notice is hereby given, that
for the three morths interest Period
from July 31, 1991 to October 31, 1991
the Notes will carry an interest Rate of

the Notes will carry an interest Rate of %% per annum. The interest pay-able on the relevant interest payment date October 31, 1991 against Coupon No. 25 will be U.S. \$167.71 and U.S. \$4,192.71 respectively for Notes in denominations of U.S. \$10,000 and U.S. \$250,000. The sum of U.S. \$157.71 will be payable per U.S. \$10,000 principal amount of Regis-tered Notes.

July 31, 1991

and the second section in the second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the second section is a second section in the second section in the section is a section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section in the section is a section in the section in the section in the section is a section in the section in the section in the section in the section is a section in the secti

CHYSI O

today's depressed market.

SGIC accepted a fee of
A\$28m for entering the option
agreement with the bank. It week.

The SGIC has been caught badly by the collapse of the Melbourne commercial property market. It had entered into an option agreement with Westpac Banking to buy an now faces a loss nearly nine times that amount. The deal has caused a politi-cal furore in south Australia.

## Sustained high demand lifts Sembawang Shipyard

By Joyce Quek in Singapore

SEMBAWANG Shipyard, the diversified Singapore-based shipping group, exceeded market expectations with a strong first half and will reward shareholders with an 8 per cent interim dividend.

cent interim dividend.
Group revenue for the six months to June rose 14 per cent to \$\$239.7m (U\$\$138.5m) as ship repair, the core business, enjoyed sustained high demand which resulted in better marriage. ter margins.
The civil and building con-

struction businesses improved their contribution, but aviation has yet to turn in a profit since its operations started last July. The group expects an even better second half when the full-year results of listed First Capital Corporation, its finan-cial services/property associate which has a different year-end, will boost associates' contribu-tions, which had fallen 40.3 per cent to S\$2.7m. This was offset by investment income, up 50.2 per cent to S\$7.9m, and extraordinary gains from sales of long-term investments, up to \$\$3.9m from \$\$1.4m. Attribut-able profits rose from \$\$32.1m

to \$\$40.8m.
Sembawang Maritime,
another listed associate, lacked
major salvage work and saw sales slip 2 per cent to \$\$5.4m.
Group after-tax profits rose 19
per cent to \$\$9.1m thanks to a
\$\$4m tax writeback.
Meanwhile, Singmarine
Industries, a Keppel Corporation subsidiary, reported
interim profits to June 30 slipung from \$\$13.7m to \$\$12.8m

ping from \$\$13.7m to \$\$12.8m. Turnover rose to \$\$89.3m from S\$78.9m but ahip repair and other operations slowed down in the first quarter due to the Gulf war.

Singmarine expects an improved second half. Steamers Maritime, a Keppel associate, said sales leaped 21 per cent to \$22.8m but after-tax profits slid 21 per cent to \$44m because of higher operating costs and associates' losses. But it expects a better second

## Bank Bumiputra ahead

By Lim Slong Hoon in Kuala Lumpur

BANK Bumiputra, Malaysia's by its commercial banking second largest and state-owned group, has reported a 12 per cent rise in pre-tax profit to MSSSM (USS) with MS2.2bu in interest income for the year to March. In the previous year, the group recorded the same 4.4 per interest margin.

The group is struggling to recover from writing off losses by its stockbroking unit, REMB Securities.

The losses, which the group attributes to "irregular trans-

actions", severely undercut the

M\$173m in pre-tax profit made

Interest income rose 10 per cent and interest expense 17 per cent to M\$1.5bn. However, reduced interest provisioning raised income from M\$409m to M\$482m, or an interest yield of 22 per cent compared with 20 per cent previously.

arm, Bank Bumiputra said. The securities company

received an injection of M\$30m.

Other income, mainly from service charges and fees, added M\$145m to overall income of M\$625.9m against expenditure

## INTERNATIONAL CAPITAL MARKETS AND COMPANIES

# ACM in talks on possible |TNT surprises with counterbid to WMC offer warning of A\$187m

By Kenneth Gooding, Mining Correspondent

AUSTRALIAN Consolidated Minerals, the natural resources group fighting a hostile
A\$210m (U\$\$162.7m) cash hid
from Western Mining Corporation and Normandy Poseidon,
said yesterday it was talking to other potential bidders, and urged shareholders not to sell their shares pending the outcome of these discussions. ACM also made clear that shareholders would be able to vote on its proposed A\$80m deal for Outokumpu, the state-

owned Finnish group, to acquire half the world-class Mt Keith nickel project. WMC and Normandy have set up a jointly-owned com-pany, Replended to make the 90-cents-a share offer for ACM. If successful, WMC would take

the Mt Keith project while Nor-

By Philip Gawith in Johannesburg

Vanadium, an Anglo American subsidiary, suffered from a decline in world and domestic steel consumption to record a sharp fall in profits in the six months to end-June.

Turnover dropped by 5 per cent to R648.2m (\$225.8m), while sttributable profit fell 43 per cent to R47.18m from R82.5m.

Mr Leslie Boyd, chairman,

said the weak domestic ont-look, the result of a substantial

decline in consumption owing to a lack of new industrial pro-

jects and cutbacks in the min-ing industry, had been aggra-vated by excessive inventory build-up in the merchant trade. Although volumes held up in

the international market,

lower demand, increased com-petition and the stronger dollar had put prices under pressure.

tion dropped in line with the 4 per cent reduction in world

crude steel production. Over-anpply had also driven free

market prices to low levels. Mr Boyd said Highveld would be

spending R10m on modifying

Government Insurance Com-

mission (SGIC), which is reel-

ing from a potential loss of at least A\$245m (US\$189.9m) on a Melbourne property develop-ment, bas sold down its stake

in SA Brewing Holdings to

Mr John Bannon, the state

premier, reassured investors at the weekend that the commis-

sion was sound following a

A\$4m run on its funds last

By Mark Westfield

raise A\$41m

SGIC sells its share stake

in SA Brewing for A\$41m

SOUTH Australia's State office development in the city

World vanadium consump-

Fall in world consumption

hits Highveld Steel profit

HIGHVELD Steel and its Vantra division to enable

mandy would acquire the other assets. WMC said that ACM initiated discussions in May, requesting that WMC consider a full takeover. Subsequently, ACM had negotiated with other companies, including Normandy and WMC, about the sale of the Mt Keith project, the Golden Grove joint venture and other assets. ACM said these discussions were triggered because its main shareholder, AFP, a Mon-

aco-based group, advised it that it wanted to sell its 37 per Analysis suggested yester-day that, with the ACM share price at 97 cents, the WMC-Normandy offer was a "non-

starter", particularly as it depended on 90 per cent accep-

silicon furnaces in February.

from this and the strengthen-

ing of the US and world econo-

tained at 30 cents a share.

for A\$520m during the property

boom of 1988. Westpac, which financed the construction of

the Collins Street building due

to house the failed merchant

Mr Geoff Campbell, analyst at Ord Minnett, part of the Westpac hanking group, said ACM shareholders should seize the Outokumpu deal with both hands. "It offers more for Mt Keith than we assess it is worth ACM gets cash now and and is relieved of the risk that

and is relieved of the risk that developing a big project involves. Yet, if the nickel price goes sky high, it can have some part of that.

"If the Outokumpu deal goes through, ACM is an even more attractive takeover target — a bidder would get cash and the other assets. Western Mining would drop out if t could not get all of Mt Keith but Normandy would probably continue on its own and there are tinue on its own and there are others who are interested," he

#### Australian unit of Alcan stays in deficit

By Mark Westfield in Sydney

up to 20 per cent of the group's vanadium slag output to be converted to vanadium pentox-ALCAN Australia, the 73 per cent owned subsidiary of Alcan Aluminium of Canada, lost A\$18.39m (US\$10.3m) after ide in South Africa.
On the ferro-alloys side, weak prices for manganese alloys resulted in Transalloys tax in the six months to June 30 because of rock-bottom alu-minium prices and the cost of dismissing 245 employees. It struck the loss on 3.3 per operating its afficomanganese furnaces at about 70 per cent of capacity. Low ferrosilicon prices, the result of low-priced

cent lower turnover of A\$297.2m and a pre-tax loss of A\$11.34m.

exports from China, the Soviet Union and eastern Europe, had caused Rand Carbide to shut down one of their three ferro-A\$11.34m.

The poor result, which compares with a loss of A\$138,000 for the same period last year, has forced Alcan to scrap its interim dividend for the first. Mr Boyd said he expected first-half earnings to be maintained in the second, with domestic and export markets remaining weak. He was bulltime since the recession in 1983. It lost A\$13.3m for the ish, though, about the impact of US sanctions being lifted, saying that "significant bene-fits" would eventually flow 1990 calendar year. Mr Bob Fox, Alcan's manag-

ing director, said the world price for aluminium ingots had dropped below the most pessimistic forecast. He warned shareholders not

Earnings per share were 43 per cent down to 65.2 cents, compared to the first half of 1990. The dividend was mainto expect a quick turnround in the company's fortunes. lean's largest minority shareholder in Australia is the AMP Society which holds 9.7 per

The company believes the aluminium price has bottomed at US\$1,300 a tunne, compared

with US\$1,600 in January.

Alcan's New Zealand business, which the group is reviewing, posted its worst ever loss of A\$2.9m before tax.

# loss for 12 months

By Mark Westfield in Sydney

full yearafter announcing the long-awaited setting up ofits worldwide air express joint venture with five post offices in Europe and Canada. In a statement attached to

the joint venture announcement, TNT said it expected to declare an equity consolidated loss after tax of A\$62m (US\$48m) for the final quarter of the year to June 30 to add to the A\$96.5m loss of the first three quarters. It also forecast a write-off of A\$28.5m on its interests in America West Airlines, which has filed for protection from its creditors.

Australian brokers' analysts had expected TNT to break even at worst for the year ended June 30. The surprise loss was tempered by the con-firmation of the joint venture, which promises to deliver sig-mificant additional earnings to TNT from 1992 onwards.

TNT shares closed up 2 cents yesterday at 85 cents on heavy turnover of 4.48m shares. TNT's write-down of its America West investment will put pressure on its part-ner, News Corporation, to do the same. The two groups own 50 per cent each of Australian domestic carrier Ansett Airlines, which has 20

TNT, the Australian transport group, yesterday warned of a loss of up to A\$187m for the more details of its losses in TNT said it would release more details of its losses in its final statement on August 29. Mr Fred Millar, group chairman, said in January that he expected TNT to at least match its A\$189.83m profit after tax and abnormal items in 1990.

asurie

The group's bearish expectation for the full year was over-shadowed on Tuesday by con-firmation of the joint venture agreement between TNT and the German, Dutch, French, Swedish and Canadian post

offices.

TNT said yesterday it would put its global air express business, which has the largest air freight operation in Europe, plus a substantial North Amesican network into the light ican network, into the joint

The partnership will become The partnership will become fully operational on January 1 next year. TNT said the eventual impact of the deal on its balance sheet would be to remove A\$918m of TNT's total debt of A\$2.2bm.

TNT expects to earn profits from the venture in the last quarter of the year to next

June 30.

Mr Millar said yesterday that at June 30 this year TNT had available liquidity of A\$652m, which would enable the group to repay debt obligations of A\$598m by next June.

## Cadbury Schweppes SA records strong first half

By Philip Gawith in Johannesburg

THE South African subsidiary of Cadbury Schweppes, the UK-based confectionery group, overcame difficult trading conditions to record significantly improved profits in the interim trading period to mid-June. Turnover rose by 9.6 per cent

to R239.9m (\$83.6m), while operating profit was 20.2 per cent higher at R21.6m and attributable profit was up by 83.6 per cent to R16.7m.

Mr Peter Bester, managing director, said the lower turnowar increase reflected weak

over increase reflected weak trading conditions and intense competition. The improved profit performance was the result of a favourable sales mix, better internal efficiencies confectionery business taken over in November 1989. At the divisional level, the

group lost market share in the chocolate sector owing to strikes which coincided with a period of intense competition... Good sales and rationalisation benefits at Chapelat-Humphries saw it significantly. improve profits, Schweppes and Amalgam-ated Beverage Industries, the

soft drink operations, per-

Earnings per share were up. 33.1 per cent at 47.8 cents; the dividend was lifted by 26.3 per cent to 12 cents a share. Mr Bester said the second balf was unlikely to be as good as the first, but satisfactory real growth would be recorded for the year as a whole.

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#### FT/AIBD INTERNATIONAL BOND SERVICE



### INTERNATIONAL CAPITAL MARKETS

# surprises with r 12 m Treasuries show little ir 12 months change in light trading change in light trading

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US BOND prices held steady in
light trading yesterday morn-
ing in the wake of a mixed
hateh of economic news.
ne midday, the benchmark
30-year Government issue was
up i at 974 yielding 8.387 per
cent. The two-year note was
Cent. The two-year new was
slightly easier, down Lat 100%.
to yield 6.84 per cent
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TIMES WEDINESDAY IUTY 31 1991

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Mr. Bester said für

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The day's economic data had little impact on the market. The boost to sentiment from news of a small decline in July consumer, confidence was balanced by a larger-than-expected the in domestic new home sales. A 1.2 per cent rise in second-quarter employment costs was in line with free. wedish and Cambra Confices

TM said research

Full its global research

Full its global in the large

function of the confice costs was in line with fore-

The main focus in the market remains today's announce-ment of the latest refunding requirements, and Friday's July employment report.

THE strength of sterling helped to lift UK government bond prices, allowing the Bank of England to sell a portion of its Elbn tep stock.

The partnership of the partnersh its Elbn tap stock.

However, prices fell back letter on, leaving short-dated gilts unchanged and long-dated stock slightly lower on the day. The benchmark 11% per cent gilt due 2003/07 slipped from 110g to 110g by late afternoon. Traders said the Bank of England sold an estimated Mr. Miller said remaint is a function of the parties of the partie England sold an estimated £50m to £100m of the 9 per cent y Schweppes SA gilt due 2011 yesterday morning. It was sold mainly to domestic buyers at £30 part-paid. The £1bn tap issue was announced on July 19, but yesstrong first half

futures and options broker

Burns Fry Futures for an

undisclosed price, writes Tracy

Through the acquisition, which is subject to regulatory approval, NetWest will gain

clearing membership of the Chicago Board of Trade and Chicago Mercantile Exchange.

"origoing relationship" with Burns Fry, the Canadian investment backing firm, after

the ecquisition. Burns Fry took

NatWest hopes to have an

Corrigan.

		Coupon	Red	Price	Change	Yield	Week	Menti
AUSTRAL	iA.	12.000	11/01	106.0334	-0.500	11.00	11.02	11.16
BEL GIUM		18.000	06/00	102,8000	-0 050	9,52	9 45	9.34
CANADA	•	9.750	12/01	94.9750	+ 9.160	9.91	9.96	10.07
DENMARI	K	9.000	11/00	97.1760	-	9.45	9.37	0.20
FRANCE	BTAN	9.000	02/98 01/01	98.4505 101.3900	+0.071	9.40 9.25	9.27 9.18	9.24
GERMAN	Υ	8.376	05/01	97.9100	-0.030	5.69	8.67	8.51
STALY		12.600	03/01	96.6600	-0.530	13.56	13.35	13.34
JAPAN	No 118 No 129	4.000 6.400	05/90	80 0018 96 9608	+ 0.347 + 0.353	6.95	7.18 8.72	7.30 6.64
NETHERL	ANDS	8.500	03/01	97.4100	+ 0 040	6.90	8.80	8.76
SPAIN		11,000	07/96	89,2000		12.19	12.17	12.00

8.000 05/01 98-19 403/32 8.125 05/21 97-02 -01/32

BENCHMARK GOVERNMENT BONDS

terday was the first day cent at issue. The DM2bn por that any of the stock was

THE German government's decision to issue DM2bn of 10-year Unity Fund bonds with e bond prices rallied yesterday, helped by rumours of an interdecision to issue DM2bn of 10-year Unity Fund bonds with e coupon of 8% per cent helped to lift German government bond prices yesterday, as trad-ers considered the coupon

However, prices fell back later in the day on worries ebout funding, inflation and interest rates. The Liffe hund futures contract opened at 83.63, trading up to a high of 83.82 after the Unity Fund bond announcement, then fell

"This is a good opportunity to acquire an established, prof-

itable player in what is acknowledged as the capital city of the world's futures mar-ket," said Mr Martin Owen,

Some trading and broking

firms in the Chicago exchanges are currently feeling the pinch

as margins narrow and their

clients become increasingly credit-conscious. Several are

said to be looking for links

with better-capitalised banks,

NatWest's group treasurer.

tion of the issue was placed with the syndicate of banks.

Yielde' Local market standard Technical DeterATLAS Price Sources

8.21 8.29 5.27 8.39 8.48 8.45

est rate cut.

Traders said rumours circulated in Tokyo that the Federal Reserve would cut US interest rates, which would put pres-sure on the Bank of Japan to lower the Official Discount Rate again. The Bank of Japan cut the ODR from 6 per cent to

5.5 per cent on July 1.

The yield on the benchmark
Nn 129 JGB opened at 6.645 per
cent, but dealer-driven buying
beiped to push the yield
through the 6.6 per cent level to 83.62 by late afternoon.

The Unity Fund bonds were priced et 101, to yield 8.6 per cent to close at 6.58 per cent.

## NatWest to buy futures broker

NATIONAL Westminster control of BFF from Security like the alliance between Bank, the UK clearing bank, plains to acquire Chicago-based Pacific during the US bank's options trading firm O'Connor Partners and Swiss Bank Corporation late last year. Banks wanting to move into the market can pick up some bargains. The question is how much money is to be made out there [in Chicago]," said one head of futures trading at a

bank in London. NatWest was not previously ective in US exchange-traded derivatives business, but has been involved in the London international Financial Futures Exchange since its inception in 1982.

#### S Africa closer to deregulated share trade

By Philip Gewith

DEREGULATION of the South African share market is closer following an announcement by the Financial Services Board (FSB) that it will recommend to the government significant

liberalisation
Mr Piet Badenhorst, chief
executive of the FSB, the
sapervisory body for South
Africa's financial markets, said the amended legislation could lead to the distribution of licences and the creation of competition for Johannesburg

Stock Exchange.
This would effectively allow banks and companies to apply for permission to start rival forms of share trading. The JSE currently has three main restrictions: brokers

must act in a single capacity; commissions are fixed; and members have in accept unlimited liability. The FSR will recommend that all these restrictions be scrapped.

According to local press reports, Mr Badenborst said the FSB would seek to make the changes in the 1992 parlia-mentary session. The changes would involve legislation for controlling stock exchanges,

He is quoted as saying that the capacity to trade and the remnneration of members would be addressed by rules of the specific financial market. Most brokers in South Africa agree that fixed com-missions are indefensible, certainly on large deals.

#### Foreigners plan Xiamen bank deal

THE Asian Development Bank (ADB), the Long-Term Credit Bank of Jepan, and the Sino-Finance Group (SFG) plan to acquire 25 per cent of China's Xiamen International Bank, Reuter reports from Hong

The three banks, which plan to take 10 per cent, 10 per cent and 5 per cent stakes respec-tively, will invest a total of HK\$200m in the bank. Xiamen foreign joint venture bank in China. International is the only Sino-

## Philippines float draws criticism

THE forthcoming privatisation of a Philippines company has raised questions about the way in which such issues are han-

Baring Brothers has been appointed international lead manager for the privatisation of Meralco, the Philippineshased company which supplies Manila with electricity.

The privatisation is expected to raise between \$110m and \$120m, of which up to \$40m will be sold to international investors. Baring Brothers is lead manager for the interna-tional offering, while the domestic issue will be underwritten by Development Bank of the Philippines, Bank of the Philippine Islands, and Philippine Industrial and Commercial Bank. The shares will be priced at about 140 pesos.

Meralco is awaiting permission for a listing from the Philippine Securities and Exchange

INTERNATIONAL EQUITY ISSUES

Commission, and the share offer is expected to take place Barings expects the international equity issue to appeal to apecialist investors such as Far Eastern funds or

in the Philippines.

The \$40m international equity offering is unlikely to be increased even if there is strong demand from overseas investors for the shares. In fact, if there is strong demand from domestic investors, the international tranche could be scaled down since local brokers are allowed to claw back up to 50 per cent of the international

The current system has attracted considerable criticism as local brokers are able to return unplaced shares with the underwriters at the close of the offer, leaving the underplace the shares themselves.

The system is seen as unfair because local brokers do not face any of the underwriting risk.

that the normal procedure of "book-building", whereby those involved in the issue build up a record of demand for the shares, may be intro-duced in the Philippines. One banker pointed out that

too many of the shares being placed with speculative domestic investors can mean problems. "Ideally, an issue should attract a mix of long-term and speculative investors, but if there were too many specula-

## Province of Quebec launches \$500m deal

By Simon London

PROVINCE of Quebec yesterday launched its largest international bond issue, a \$500m 10-year deal lead-managed by Credit Suisse First Boston.

The paper carries a coupon of 3% per cent, and was re-of-fered to investors at a fixed price of 98.845, where the yield spread is 75 basis points over US treasury bonds.

The pricing was regarded as fair by participants in the deal.
Outstanding 10-year Eurodollar bonds issued by Quebec trade at a spread of around 71 basis points in the secondary mar-

Against this, the market has been bombarded by tasues from the Canadian provinces - many of which are working to finance large budget deficits this year - and is entering a summer lull. However, the yield spread on outstanding 10-year bonds has narrowed by 30 hasis points since the start of

the year. The lead manager said the deal attracted mainly institu tional investors and was bid at around the fixed re-offer price by the close.

Elsewhere, IBM Canada came with a tightly-priced C\$150m five-year issue, targetted et retail investors. The deal was lead managed by Wood Gundy, head of a very large syndicate comprising seven colead managers and 29 co-man-

agers.

The bonds pay a coupon of 10 per cent, very low by tha standards of the sector, and

1,715

were re-offered to investors at a fixed price of 98.80. The lead manager said that the low issue price was to guard against a possible rally in the Canadian bond market. Retail cent on BP America's A\$100m three-year deal launched on investors are loathe to buy bonds once the price has risen

above par.

Another retail-targeted deal came from Barclays Australia, which raised A575m in a threeyear deal lead managed by Bar-clays de Zoete Wedd. The bonds carry an 11% per cent coupon, against 11% per

Monday via Merrill Lynch.
Despite a higher issue price,
the Barclay's paper was yesterday launched at a yield 20
basis points higher than the
BP deal.

The deal traded at less 1.4 bid, inside full fees of 1.5 per cent. BP bonds were yesterday trading at less 1.65 bid, outside

full fees.

• Mexico yesterday launched a Ptalobn five-year Matador bond issue in the Spanish bond market. The deal was priced to yield 220 basis points more than Spanish government bonds and was well-received by investors, trading up from an issue price of 99.50 to stand at 100.125 by the close. Lead-managed by Banco Santander, the proceeds of the issue were swapped into dollars.

• A timetable for the launch

of Glober, the after-hours electronic trading system, may be ready by the end of this year, according to the Chicago Board of Trade, Reuters reports

#### **NEW INTERNATIONAL BOND ISSUES**

Sorrower US DOLLARS	Amount m.	Сопров %	Price	Maherity	Fees	Book runner
Province of Quebec(s)t	500	91	101.47	2001	2/1月	CSPB .
Kumagai Gumi(a)+	360	43	100	1905	24/12	
Nippon Stainless Steel(s)4	100	45	100	1995	24/12	
ANZ Banking Gp.(b)##	200	(0)	100	1994	22.500	Merriii Lynch
CANADIAN DOLLARS						
1814 Canada(a)†	150	10	100.425	1005	13/15	Wood Gundy
AUSTRALIAN DOLLARS						
Barciaya Aust.Int.Fin.(a)†	75	1112	1015	1994	12/14	BZW
PESETAS						
United Mexican States(c)f	10bn	14%	99,5	1996	14/2	Bco.Santander d'Negocio
D-MARKS						
Flat Fin.& Trade(a)†	200	9	101 32	1998	2/14	Doutsche Bank
Hambros Int.Fin.BV(d)+++++	70	(d)	100	2001	2	NordLB
STREE FRANCS						
Mooon Meat Packers(s) 4:44	100	44	100	1205	-	Credit Sulses
Ahva(0++5	100	SL	100	1995		UBS
Tateryema Aluminkum(a)444	100	412	100	1995		SBC
Taho Rayon(b) 4744	00	414	100	1995	-	Yamaichi Bk (Switz)
Kable Co.(I)Arks	Ø0	4	100	1905	-	Nomura Bk (Switz)
Kanto Biochemical() 4:49	40	4	100	1995	-	Dalwa Secs (Switz)
Melico Construction(a) 4-44	35	412	100	1995	-	Nildeo Bk (Switz)
Mippon Densu(s) 4 44	25	412	100	1996		Mildo Bk (Switz)

at par after 5 years. Coupon pays 6-month Libor + 35bp for first 5 years, then 6-month Libor + 50bp thereafter. a) Callable 15/8/31 at 101% and 15/6/34 at 1007%. f) Callable 30/6/83 at 101% declining \( \frac{1}{2} \times \text{ munity. j) Callable 22/6/83 at 102% declining \( \frac{1}{2} \times \text{ munity. j) Callable 22/6/83 at 102% declining \( \frac{1}{2} \times \text{ munity. j) Callable 22/6/83 at 102% declining \( \frac{1}{2} \times \text{ munity. j) Callable 22/6/83 at 102% declining \( \frac{1}{2} \times \text{ munity. j) Put option 30/9/83 at 106\( \frac{1}{2} \times \text{ munity. j) Put option 30/9/8 at 106\( \frac{

#### FT-ACTUARIES SHARE INDICES

The Financial Times Ltd 1991. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Tuesday July 30 1991					Mod Jul 29	Fri Jul 26	The Jul 25	Year age (approx
FI	& SUB-SECTIONS  Tryunes in parentheses show number of stocks per section		Day's Change	Est. Earnings Yield % (Max.)	Gross Olv. Ykeld% (Act at (25%)	Est. P/E Rail9 (Net)	nd adj. 1991 to date	Index No.	Index No.	Index No.	Index No.
	CAPITAL G0005 (183)	832.90	-0.2	10.39			22.56	834.85	835.32		
2	Building Materials (24)	1061.61	-0.7	9.14				1068.93			
. 3	Contracting, Construction (31)	.[1137.83	+0.2	9.66					1162.36		
-4		. 2476.45	-03	10 37		12.27	61.85				
ş	Electronics (25)	11680.01	+0.3	8.99		14.79	46.89				
-6		421 64	+0.2	16.23	5.95	7.40	12.11	120.89		419.19	
7	Engineering-General (45)	455.97	-0.4	11.97	5.61	10.23	11.82		434.10 437.20		
-8	Metals and Metal Forming (8)	437.30	-0.4	16.12 12.26	8.07 7.44	7.62 9.62	16.93 10.28	322.79		323.41	349.05
	Orbon Industrial Research (200	322.21	-0.2	8.60	4.96		36.42				
21	Other Industrial Materials (207	1041.30	+0.4	7 63			25.63		1513.79	1513.82	
22	CONSUMER GROUP (188)	1940 60	+0.4	8.36		14.58	34.70		1829.94	1834.93	
25	Food Manufacturing (19)	1202 30	-0.2	9.55	4.11	12.93	24.43				
26	Food Retailing (17)	2716 25	+0.6	7.92	3.07	16.52	39.61	2701.10		2691.95	
27	Health and Household (22)	3645 18	10.8	5.22	2.36	21.68	30.93			3633.94	2546.65
29	Hotels and Leisure (24)	1307 14.	+0.3	9.73	5.30	12.27	32.35			1275.74	
30	Media (26) Packaging, Paper & Printing (17)	1427.90		8.22	4.97	15.80	39.26	1427.09			0.00
	Packaging Paner & Printing (17)	748 01		7.52	4.41	16.05	15.15	749.41	749.97	746.00	603.97
34	Stores (32)	985.89	+0.1	7.77	3,77	16.80	17.06	984.42	978.15	971.49	822,45
35	Textiles (9)	583.67	+0.1	8.59	5.31	14.46	13.79	582,95	576.18	568.31	486,83
40	OTHER GROUPS (109)	1265.64	-0.4	9.74	5,09	12.79	29.31	1271.06	1269.59	1259.33	
41	8 usiness Services (12)	1331.57	-0.1	8.11	4.89	15.26	29.77	1333.49		1307.87	
42	Chemicals (21)	1430.38	.,	7.17	5.04	17.21	33.03	1429.68	1416.23	1413.68	
43	Conglomerates (20)	1454.14	-1.3	10.27	7.26	11.77	35.14			1473.04	
44	Transport (13)	2245 65	-0.1	8.42	4.74	14.72	50.50			2208.39	
45	Pactaging, Paper & Printing (17) Stores (32) Textiles (9) OTHER GROUPS (109) Business Services (12) Chemicals (21) Conglomerates (10) Transport (13) Electricity (16) Telephone Networks(4)	1231.58	-0.6	14.03	5.28	9,10	18.41	1239.20	1233.62		0.00
46	Telephone Networks(4)	1530.57	-0.2	9.69	3.98	13.50	28.31	1533.05	1543,28	1514.93	
	Water(10). Miscellaneous (23)	2387.82	-1.9	17.11	6.45	6.47	118.37	2433.47	2466.73	2458.16 1984.31	2004.67
48	Miscellaneous (23)	2004.98		6.06	4.82	21.39	47.89		2002,88		1713.89
39	INDUSTRIAL GROUP (480)	1272.57		0.84	4.50	14.00	26.53			12:6.28	
51	Oil & Gas (20)	2494.06	+0.7	10.88	5.49	12.09	67.25	2492.03		2488.45	
59	500 SHARE INDEX (500)	1375.97	,	9.11	4.62	13.72	29,82	1375.67	1373.85	1369.65	1259.98
41	FINANCIAL GROUP (94)	809.36	-0.2		5.86	- 1	21.65	810.91	803.86	796.58	788.77
62	Barder (9)	936.12	-0.8	6.35	5.94	23.69	24.83	943.66	931.41	920.27	834.29
65	Banks (9)	1541.73	+0.4	-	5.37	-	41.64	1535.22	1528.35	1518.58	
66	Insurance (Composite) (6)	653.36	+0.4		6.70	- 1	20.23	650,62	650.94	650.98	663.84
67	Insurance (Composite) (6)	1158.52	+1.2	6.73	5.85	19.27	30.61	1145.34	1146.65	1156.81	%L95
68	Merchant Banks (7)	432.95			4.84		11.00	432,92	425,01	423.18	437.13
69	Merchant Banks (7) Property (37) Other Financial (20)	926.85	-0.2	5.96	5.02	24.06	19.84	928.52	917.78	924.88 248.14	1090.02
78	Other Financial (20)	249.21	-0.1	11.50	7.24	10.88	7.99	249.37	247.71		287.55
7	Investment Trusts (70)	1224.05	+0.1		3.48		20.95	1222.38			1209.25
99	ALL-SHARE INOEX (664)	1238.75			4.76	-	27.55	1238.79	1235.92	1231.23	1147.05
5.5		Index No.	Day's Cluster	Day's High (a)	Day's Low (b)	J∎I 29	Jul 26	Jul 25	Jul 24	Jai 23	Year -
			10.6		2590.3			2579.6			2326.2
	FT-SE 100 SHARE INOEX	וס.כנים	10.6	20UH.UI	271131	2170 01	(2,42)	2017.0	2300.31	201.7	200.2

	FIX	(ED I	NTE	RE\$	r _			AVERAGE GROSS REDEMPTION YIELDS	Tue Jul 30	Most Jui 29	Year ago (approx.)
	PRICE INDRCES :	Tue Jul 30	Day's change %		Accrued Interest		2	British Severances Low 5 years Coupons 15 years	9.04 9.87 9.87	9.06 9.85 9.85	10.71 10.71 10.71
3 4	British Government Up to 5 years (29) 5-15 years (27) Over 15 years (9) Irredermables (6)	120.97 131.11 139.59 152.52	+0.02 -0.01 -0.24	120.95 131.08 139.61 152.88	1.71 3.07 2.41	7.13 8.39 6.44 7.34	4567B90	Medfam   5 years   15 years   15 years   15 years   15 years   16 years   16 years   16 years   16 years   16 years   16 years   17 years   17 years   17 years   18 years   1	10.23 10.06 10.00 10.40 10.18 10.09 10.06	10.23 10.05 9.99 10.40 10.17 10.07 10.05	11.95 11.18 10.98 12.04 11.42 11.22 10.77
6	All stocks (71) index-Linked Up to 5 years (1) Over 5 years (10) All stocks (11)	160.34 145.21	+0.08 -0.10	130.23 160.21 145.36 146.36	0.71 0.56 0.57	7.88 2.72 2.76 2.76	11 12 13	Index-Linker Initiation rate 5% Up to 5yrs Inflation rate 5% Over 5 yrs Inflation rate 10% Up to 5 yrs Inflation rate 10% Over 5 yrs	4.40 4.37 3.45 4.18	4,42 4,36 3,47 4,17	5.19 4.30 4.07 4.11
_	Deles & Loans (56)				2.44	5 89	15	Debs & 5 years	11.90 11.66 11.44	11.93 11.70 11.47	

4. Syon S. J. 1.441 11.471 12.51

4. Opening index 2595.3; 9 am 2592.2; 10 am 2595.9; 11 am 2602.6; Noon 2601.9; 1 pm 2602.0; 2 pm 2601.3; 2 30 pm 2501.3; 3 pm 2599.8; 14.10 pm 2592.6; (a) 11.22 am (b) 8.49 am f Flat yield. Highs and lows record, base dates, values and constituent changes are prelished to 5. Saurday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwart Bridge, London SES 1911. The FT-ACTUARIES SHARE IN OICES SERVICE covers a range of electronic and paper-based modules relating to these indices. These are available by — subscription from FINSTAT, flex House, 42-47 Minories, London EC3N 10Y, Tel: 071-702.0991.CONSTITUENT CHANGES (for 31/7/51): Deletions: Babcock Prebon (701, Breat Walker (29), Clayform Properties (69), First Tokyo Index (71), Speyhawk (69); ADDITIONS: Blick (4), Lowndes Lambert (67).

# RISES AND FALLS YESTERDAY Corporations, Dominion a Industrials. Financial and Properties.

**LONDON MARKET STATISTICS** 

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ese Yes	Aprilit Pate	Catesi Rossac	10	771	Stock	Desing	+=	Ret. Dir	Times Cov'd	C-W	PR
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TRADITIONAL OPTIONS

July 22 Aug. 2 Oct. 24 Nov. 4 First Dealings
 Last Dealings
 Last Declarations For settlement For rate indications see and of

Calls in Anglie TV, Berratt Deva., Brent Watter, Medeva warrants, Next, Norex and Tullow Oil. Puts in Control Sec., Hadleigh Inds. and TV-am. Puts and calls in

# LONDON TRADED OPTIONS

Option	CALLS POTS Bct Jan Apr Oct Jan Apr	Option	CALLS PETS Oct Jan Apr Oct Jan Apr	Ogition	CALLS PUTES Sop., Duc, Mar., Sep., Rec., Mo
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ASTA (SP7	80 124 144 154 24 34 5	Artisa	Any Hor Feb Any May Fab	Hawker 51dd (*595 )	550 56 66½ 83½ 7 16 22½ 600 26 37½ 53½ 24½ 36½ 43½
	80 12½ 14½ 15½ 2½ 3¼ 5 90 5½ 9 10½ 5½ 7 9 100 2½ 5 6½ 12½ 12½ 14½	Brit. Acro C'570 )	550 29 42½ 58½ 6 18½ 25 600 7 19 34½ 31½ 44½ 51½ 850 1 7½ 19 80 82½ 86½	Hillsdoon (*233 1	220 30 24 30 4 7 91 240 7½ 1312 19 12½ 1612 1814
Reft. Already (*173.)	140 361 <sub>2</sub> 381 <sub>2</sub> - 11 <sub>4</sub> 21 <sub>2</sub> - 160 20 221 <sub>2</sub> 271 <sub>2</sub> 41 <sub>2</sub> 61 <sub>3</sub> 9 180 8 121 <sub>2</sub> 161 <sub>2</sub> 111 <sub>2</sub> 151 <sub>2</sub> 171 <sub>2</sub>	BAA (*436 )	390 48½ 60½ 67½ 1 3¼ 8 420 25 38 46½ 4½ 18½ 15½ 460 3½ 16½ 25½ 24½ 29 34½	Lourbo (*299 )	240 17 25 28°2 4°2 8°2 14°4 260 7°2 14°2 18°2 14°2 17°2 24
Suki Bei chan A (*814 )	750 81 ½ 101 - 7¼ 14½ - 500 47 68½ 88½ 21½ 30½ 35½ 850 25½ 43½ 61½ 46½ 56 60½	RAY lets (*740 )	650 94½ 95 113 ½ 4 7½ 700 49½ 56 75½ 4 13 20½ 750 14½ 28 48½ 22½ 34½ 41	Midded Sk (*212.) Nationa	200 17½ 25 32 54 8½ 11 220 7 15½ 19½ 13 19 22
Books (*EZI )	160 68 72 - 1½ 4 - 390 42 49 60 5 911½ 420 22½ 30½ 41 14½ 19½ 22½	BTR (*423 )	360 64 67 75 ½ 3½ 4½ 390 35½ 40½ 53 1½ 7½ 30½ 420 13 22½ 34 8½ 18½ 22½	Power (*154 ) Redes	140 13 14 17 3 44 7 160 2 64 9 124 144 154
g.p.		Brit. Telecon		(*767 )	750 5012 81 103 2214 3212 4413 800 2315 5315 7515 4812 60 66
	350 22 29 334 54 95 115 360 82 14 19 224 234 27 390 24 5e -464 474 -	Cadhory Sch	360 13½ 27 37 6 12½ 16¼ 390 3½ 12½ 22 22½ 24 32	R. Boyce (*155 )	140 1612 19 2312 212 414 4 160 414 812 1212 1014 1312 13
British Steel (*121 )	110 141, 16 30 11, 3 5 120 7 9 12 31, 74, 81, 130 24, 51, 0 91, 13 14	(*369 )		Sentra (*Bb )	80 8 30½ 13 14 24 4 90 2½ 5½ 7½ 5½ 7½ 9
Rats (*916.)	900 - 7014 8312 - 3412 4312 4212 4312	(*180 )	180 64 131 184 5 84 115 200 1 6 30 184 205 225	TRF (°Z74)	260 19½ 25½ 31½ 4 7 8½ 280 7½ 14 19½ 11½ 15½ 17½
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C & Wire (575)	500 86-12 9712 3 & 550 46-12 6002 75-12 11 17 21 600 20 33-12 4772 35-12 40-12 43-12	CEC (*183 )	180 6 12½ 16½ 3 5½ 7% 200 1 4½ 7 18 18 19	158 (°244 )	140 64 114 134 44 64 84 160 14 34 34 194 20 204
Coercasids (PC39 )	990 61 69 80 3 6 84 420 38 47 59 9½ 13½ 16½ 460 16 26 38 26 29 30	Harson (*211 ) LASMO	200 12½ 20 22 1 4¼ 9 220 2½ 8½ 11½ 10½ 13 20	Vaal Reels (*566 ) Wellcome	66 94 12 14 34 5 6 70 4 8 94 74 94 11 2 700 434 65 87 20 31 384
Cost. Union (*513)	460 54½ 69½ 5 7½ 500 26½ 43½ 50½ 14½ 19 20	(*339 )	330 131 <sub>2</sub> 291 <sub>4</sub> 391 <sub>4</sub> 41 <sub>2</sub> 131 <sub>2</sub> 161 <sub>2</sub> 360 4 14 25 241 <sub>2</sub> 301 <sub>2</sub> 521 <sub>2</sub>	("718 )	750 22 40½ 62½ 45½ 56½ 61½
Floors (*93.)	460 47 60 70 6L 11L 14L	Lucas fods (*1.40 )	140 54 1112 1312 512 1114 13 160 4 412 612 2012 2412 2512	Scottisi	Squ. Dec. Sep. Dec.
ו פוריו	500 221 351 461 211 361 31 500 61 16 81 57 30 61	P. 4. 9. (*588.)	550 44½ 53½ 67½ 3 16½ 22 600 12½ 27 43 20 39 46½	Power (*106 )	100 10 13 - 2 34 - 110 4 84 - 6½ 7½ -
GKN (*352.)	330 27½ 39½ 46½ 9 13 19 360 12½ 25 29 25 25½ 34½ 390 5 13½ 17½ 44½ 47½ 54½	(*155 )	140 13½ 25 25 1½ 4 7 160 4½ 11 14½ 8 12½ 15½	2325	EUMA FT-SE DIOEX (*2593) 2375 2425 2475 2525 2575 2625 267
Grand Met. (*782.)	750 62 82 94½ 15 26 30½ 800 32½ 51½ 66½ 30 48 52½ 850 15½ 31½ 45½ 71 77½ 80½	Prodential (*248.)	240 13 19 254 34 9 11 260 24 94 154 144 194 214	Jul 269 Aug 284	219 169 119 701, 221, 1 1, 235 188 142 96 594, 13 144,
		Racal (*216 )	200 17 27 33 1½ 6½ 9 220 5½ 13 20½ 30 16 17½	Aug 284 Sep 298 Dec 341	- 206 - 123 - 581 <sub>2</sub> 259 - 186 - 126 -
(*1332)	1250 107 146 164 24 37 50 2 1300 75 117 133 45 2 53 70 1350 52 88 2 105 70 2 76 2 93	R.T.Z. (*543 ) Scot. & New	550 47 ½ 58 ½ 75 ½ 2½ 10½ 13 ½ 600 13 28 ½ 44½ 16½ 20½ 33 ½	Mar 382 Jun 421 PUTS	- 350 280 215
Kinglisher 1932 )	500 47 62½ 72½ 10½ 13½ 17 550 30 31½ 44½ 30½ 33½ 32½	(*408 ) Teles (*274 )	390 25 37½ 43½ 3½ 9½ 14½ 420 6½ 20 27 17 22 20 260 - 24 33 - 4½ 7½ 280 6½ 12 20 9 14 15	Aug 2 Sep 4 Dec 15 Mar 25	12 12 12 13 14 1792 3 5 8 13 261 461 77 - 18 - 241 - 281 - - 291 - 491 - 821 -
Lathroix (*277 )	260 25 31½ 37 8½ 11 13½ 280 134, 21 27 15%, 20 23½	T h a m e Water (*378.)	_	Mar 25 Jan 361 <sub>2</sub>	- 60 - 80 - 105
Land Sear 17511 )	500 29½ 40 50½ 9 13½ 17½ 550 7 15½ 25½ 38½ 38½ 45½	Ophian	Sep. Det. Mac. Sep. Dec. Mac.	CALLS	FT-SE 1996EX (*2593) 2358 2460 2458 2500 2558 2660 2651
M & S (*284 )	290 17 25 31½ 71, 11½ 12½ 300 8 15 21½ 18½ 20½ 22½	Abbey Nat. (*303 )	280 26 34½ 40½ 2½ 5¼ 8¾ 300 12 22½ 20½ 9½ 13 16	Aug 263 Sea 280	195 145 95 45 5½ ½ ½ ½ 214 166 121 79½ 46 22 9 234 189 147 189 75½ 92 28½ 250 257 167 130 99 70½ 47½ 284 - 205 - 137 - 365 - 350 - 240 -
Stinbury (*367.)	360 4115½ 386 915½ - 22 26 -	Amstrad (*50 )	30 4 64 8 34 54 64 60 14 3 44 30 12 13	Oct 296 Dec † 369 Jun 1 440	280 207 167 130 99 701 <sub>2</sub> 471 <sub>2</sub> - 284 - 205 - 137 - - 365 - 350 - 240 -
Shell Trans. (*542.)	500 52½ 59½ 65½ 6 9½ 13½ 500 16½ 79½ 35½ 75½ 30½ 35½	Bartleys (*476 )	460 25 40 51 ½ 12 ½ 17 ½ 24 500 7 21 31 35 ½ 37 ½ 44 ½	PUTS Jul 4	
Storehouse (*113 )	116 9 11 12 15 12 514 772 9 120 412 712 1012 1012 1214 1314	Rise Circle (*256 )	260 141, 221, 301, 11 151, 181, 280 64, 14 20 23 26 26	Aug 25	7½ 14 20½ 31½ 50½ 70 113 13 21 30½ 40 60 87% 114
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### **UK COMPANY NEWS**

# Acquisitions help Harland | March to Simon advance to £10.5m

By Richard Gourlay

HARLAND SIMON, the process control engineering group, yes-terday reported profits up 26 per cent, helped by the success-ful integration of two acquisi-

tions during the year. The results, however, were towards the lower end of market expectations and the shares lost 25p to close at 515p.

Pre-tax profits rose from £8.31m to £10.48m in the year to March after an exceptional £538,000 provision. Sales rose by 24.5 per cent to £75.7m.

Earnings per share rose 11 per cent to 39.5p in spite of the dilutive effect of the acquisition of Crosfield Press Controls, which it acquired from De La Rue after a £13.9m rights

issue last July.

The directors are recommending a final dividend of 5.5p, giving a total of 7.5p, up 25 per cent on the year.

The company continued to push its non-UK sales, which grew 43 per cent to £35.6m. It has also reduced its depen-dence on the newspaper indus-try to 45 per cent of sales, from 88 per cent when it was floated

Harland makes equipment that controls continuous pro-Selling into the newspaper or car industries at present might appear like a mugs' game. But with newspaper proprietors seeking greater cost and job cuts and auto makers trying to cesses like newspaper printing, car production, tissue manu-facture and oil and gas pump-

The exceptional provision was for outstanding debts from Polly Peck International, the fruit and electronics group placed in administration last October.

October.

The group had developed a trading relationship with Polly Peck companies, and Mr Birol Nadir, the son of Mr Asil Nadir, Polly Peck's chairman, was chief beneficiary of a trust that had a 23 per cent stake in Harland until September last year.

Hariand is also on the verge of restructuring its interest in Perfect Information, an optically based data retrieval sys-tem sold to banks, insurance companies, stockbrokers and

newspapers.

Harland will be left with £1m. of loan stock in a company with equity of £6m. This will be supplied by venture capital-

## dispose of race car

interests

By John Griffiths

THE FIRST and only foray to date by a specialist racing car company into the Unlisted Securities Market is at an end. Subject to an extraordinary meeting next month, all the race car and engineering activities of March Group will be sold off to the racing enthusiast directors who run them.

The group will remain on the USM, but if a large acquisithe USM, but if a large acquisition now under negotiation
goes through, it will be active
solely in the financial services
sector. Trading in March's
shares was suspended yesterday at the company's request.
The fundamental change of
course by the loss-making
March was disclosed by chairman Mr John Cowen in a letter to shareholders yesterday.
It coincided with publication
of the interim results to April
30. These showed a pre-tax

of the interim results to April 30. These showed a pre-tax loss of £895,060, reduced to £720,000 after release of part of the provision against continuing losses and closure of Cobbold Roach, the Southampton-based stockbroker bought for £3.1m in April last year from Elders IXL. In the previous half-year. March made a

ous half-year, March made a me-tax loss of £104,000. The Cobbold purchase was intended to form part of a diversification drive aimed at reducing March's exposure to the volatile world of motor

up trading losses of £1.3m during March's 10 months of ownership and became the subject of a misappropriation inquiry by the Fraud Squad. Its managing director resigned in Feb-

The institutional investors who have backed two March rights issues have put the com-pany under considerable pressure to divest itself of the vola-tile racing and engineering business and concentrate on becoming a financial services

The assets, stock and work-in-progress of March Engineering is being bought for £740,000 cash by Mr David Reeves, its managing director and long-time associate of March founder Mr Robin Herd, and another director, Mr Paul Bolton

## D-Day looms for the Beef Baron The proposed purchase of Food Industries - Kieran Cooke reports

HEN FOOD Industries, the Irish agribusiness company, went public in early 1988 the bulls on the Dublin stock mar-ket pawed the ground, ready

Food Industries is 68 per cent-controlled by Mr Larry Goodman, head of the privately beld Goodman International, Ireland and Europe's biggest beef processor and exporter. Back in 1988 the talk around Dublin's boardrooms was that Mr Goodman - known as the "Beef Baron" - was going to use what was thought to be his vast wealth to turn Food Industries into one of the major players on the European agribusiness scene.

"Just watch what Larry does," was whispered in many a financier's ear. But Mr Goodman's ambitions for Foodman's Ambitions for Foodman for Foodma

man's ambitions for Food Industries have come to nothing and the company is up for

Greencore - the former Greencore — the former Irish Sugar company privatised earlier this year — has set tomorrow as the deadline for a 1558m (253m) offer it has made for Food Industries.

Although the majority of Food Industries' board has recommended acceptance of the Greencore offer to shareholders. Mr Goodman is trying to

ers, Mr Goodman is trying to hold out for a higher price. Food Industries still has the

reputation of being one of Ireland's better managed companies. It has a good spread of business in the malting and grain handling sectors and is also involved in jam manufac-

that Goodman could not ser-But it has been tied to the fortunes of Mr Goodman. Back in 1988 it seemed there was litvice debts of more than I£500m to 33 banks around the world. Several banks said Mr Good-man had misled them: they said they lent money to Goodtle Mr Goodman could not do. Goodman International was Goodman International was said they lent money to Good-deal between bankers and Mr reputed to have a turnover man International for what Goodman is that "non-core"

Ireland's GDP.
Mr Goodman was buying

meat plants in Brazil and mak-

ing what were thought to be highly lucrative sales to the Middle East, particularly to Iraq and Iran. When Mr Good-man spent millions of pounds

building up a 14 per cent stake in Berisford, the UK commodities group, and an 8.8 per cent stake in Unigate, the UK dairy group, the market saw it as part of a Food Industries stratum.

egy to form a diversified agri-business empire. But that strategy was charted on sand. Last August is was revealed

Larry Goodman: holding out for a higher offer approaching I£1bn, and they thought was working cap-account for about 4 per cent of ital purposes. Instead, Mr Ireland's GDP. Goodman had used the banks'

money to try and expand Food Industries. Goodman's invest-ments on the London stock market had been little short of disastrous. His meat business was in serious difficulties, with Iraq owing more than E160m. The banks were none too pleased when the Irish parliament was recalled from its summer break last year to rush through protective com-panies legislation. Goodman International immadiataly sought the protection of the

For much of the past year Mr Goodman has been involved in a protracted and highly complex series of nego-tiations on a rescue package for his meat group. Part of the

assets - those not related to the beef industry - be dis-posed of to pay off debts and raise working capital. Mr Goodman has had to sell vari-ous property interests. He is also having to sell Food indusRNI bei

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The company has been on the market for some months. Its dairy division — built up after a series of much publicised takeover battles between Mr Goodman and farmers' cooperatives - was sold to the Irish Golden Vale group last year for 1629m. The offer by Greencore - a company which is still 45 per cent owned by the state — is the lift in offar to be made for Food Industries. Greencore obviously feels it is in a strong position. Mr Goodman is under some pressure from his bankers. His fellow executives at Food Industries feel that little can be done with the company until it cuts itself loose from until it cuts itself loose from the none-too-stable Goodman

Yesterday Greencore issued a tough statement saying that its offer deadline would not be extended and if the necessary irrevocable undertakings from Goodman were not received the offer would not proceed. But Mr Goodman is a fighter. He wants at least 1£68m for Food Industries.

The "Beef Baron" will need all his guile about him over the next few days to resist the Greencore takeover of Food Industries. Perhaps Mr Good-man will be spurred on by one of the ironies of the present situation. Back in 1989, when Mr Goodman was at the height of his corporate power, he him-self made attempts to takeover an Irish company. Its name

#### **SEET claims** 'damages over stake purchase

SEET, the textile and retailing group chaired by Mr Jock Mac-kenzie, has issued a writ against Moores Rowland, its reporting accountants, claim-ing damages for breaches of duty and/or contract arising out of advice in connection with a past acquisition, writes

The deal concerned was the 1988 purchase of shares in Homemaker Shops, a Detroit-based chain of bedlinen and bathlinen shops. Moores Row-land has resigned as the group's anditor and been

replaced by Neville Russell. SEET, which yesterday had no further comment on its move, paid some \$5.1m (£3m) for a 46 per cent stake in Homemaker in a transaction which gave it an option, not subsequently exercised, to lift its interest to 80 per cent. Moores Rowland said yester-

day that SEET's claim was without substance and would be vigorously defended.

## EDS steps up attack on **SD-Scicon management**

By Richard Gourlay

ELECTRONIC Data Systems, the subsidiary of General Motors of the US, stepped up its attack on the management of SD-Scicon claiming the UK computer services company it is trying to buy reneged on a contract to sell a US subsid-

EDS said SD-Scicon had pulled out of a binding agreement to sell its US emissions control business to Envirotest Systems, a US company. Mr John Jackson, the chair-

man of SD-Scicon, yesterday denied that the company had ever been under an obligation to sell to Envirotest and said that no deal had been struck, as Envirotest claimed. Credit Suisse First Boston.

advisers for EDS, said that SD-Scicon's failure to admit arrangements to sell the company were so advanced in May including the signing of a number of letters of intent that included a target price - called

into question the integrity of the software company's man-

SD-Scicon has said during its defence that it had turned away offers, including the Envirotest offer for £40m and that there were no negotiations taking place to sell the US

ists and institutional investors.

introduce more flexible produc-tion lines, Harland is at the right end of both industries. As a minnow, it is also able to

nibble away at larger competi-

minimis away at mager compar-tors' market share with great impact on its own perfor-mance. Yesterday's share price reversal should therefore be temporary as the market recog-

nises the company has per-formed well in tight markets. Also its decision to restructure

the data retrieval company should give institutions com-fort that Harland is not suc-

cumbing to distractions. War-burg Securities' forecast of

pre-tax profits this year of

£13.5m give earnings per share of 46p fully diluted, and a prospective multiple of 11.2 times – close to a low for the company.

• COMMENT

company. CSFB also said that SD-Scicon shareholders did not appear to be aware that as much as half the software company's full year profits of £14m. which the company forecast in a defence document last week-end, was likely to come from the US emission control busi-

EDS is offering 45p a share for the Hampshire-based company in a hostile bid worth

Earlier this month, SD-Scicon announced that over 48 per cent of its shareholders would not accept the EDS offer at that price.

## Etam urges holders not to sell their shares

ETAM, the fashion retailer under threat from a £121m bid from Oceana Investment Corporation, a South African-controlled retail group, wrote to shareholders yester-day advising them to not to sell their

Etam reiterated its view that Oceana was trying "to buy Etam on the cheap". It also repeated its forecast that profits should recover to £27.3m pre-tax once the recession ends. In the latest financial year, to January

26, pre-tax profits were £8.5m.

Oceana wrote to Etam holders on Monday attacking Etam's retailing strategy. It suggests that Etam's share price will fall sharply if its bid lapses.

On Monday, Oceana instructed Panmure Gordon, the stockbroker, to buy up to 6.5m.

Stam shares in the market at up to 185p, the value of the bid, for cash settlement. It bought 875,543 shares at 185p, on Monday, taking its stake in Etam to 31.48 per cent. it also has acceptances covering 1.46 per cent of Etam's shares.

Etam claims that directors, with 10.2 per

cent of Etam'e shares, and shareholders with a further 23.7 per cent of the com-pany, have said they would reject the offer.

but turnover in the shares was minimal suggesting that Panmure Gordon had not been able to buy much stock. The offer to buy for cash settlement lasts until August 5, and the general offer is open until August 12. It is a final offer, and could only be increased if a higher bid was made by a rival.

This announcement appears as a matter of record only.

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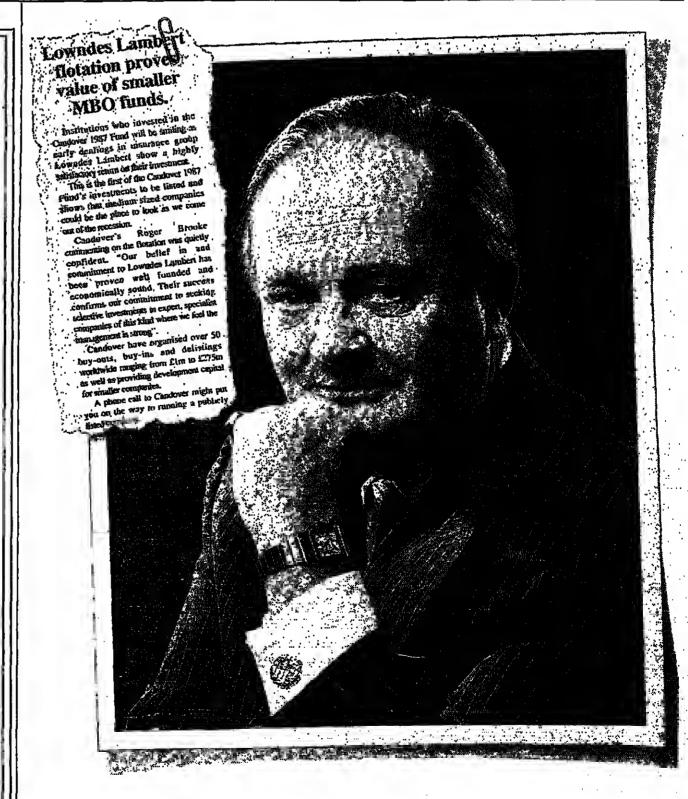
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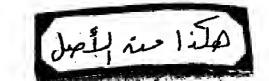
Approved by Robert Fleming & Co. Limited, a member of the Securities and Futures Authority Limited and The London Stock Exchange. July 1991



# Who's next?

Candover would like to congratulate Richard Shaw and his team at Lowndes Lambert on the Company's successful flotation, skilfully handled by advisers Kleinwort Benson Securities. This is the first listing from the Candover 1987 Fund and augurs, well for its replacement, the Candover 1991 Fund, which will be launched shortly. If you'd like more information on this new fund for investments in medium sized companies, please call Roger Brooke or Stephen Curran co 071-489 9848.

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#### UK COMPANY NEWS

## YRM beats sector trend and limits fall to 35%

By Magile Urry

TIMES WEDNESDAY IULY II 1991

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YRM. THE BUILDING design consultant, suffered a 35 per

consulant, suffered a 35 per cent drop in pre-tax profits from £09m to £1.99m in the year to April 30.

However, the group fared better than many of its rivals in the difficult trading conditions or construction-related es and its shares rose

14p to 30p.

Mr Im Poulson, chief executive, and that trading conditions are supported through the tions worsened through the figureal year but now seemed to have stabilised. However, he did not foresee much improve-mentoolors autumn next year. The group has cut staff by 25 per ent during the last two year. Redundancy payments

had hit profits, but YRM should benefit from lower staff costs in the current year.

Similarly, the interest charge is expected to drop this year as the group cut debt from about 45 per cent to 6 per cent of shareholders' funds over the last financial year.

year of 5p.

YRM's share price performan

since flotation in April 1987 has been poor but its public career hos coincided with tongh trading conditions. YRM's first big commission after flotation was a 500-bed hotel in Turkey for Polly Peck International, and it has had to make a small provision against that Rut it has done better.

that. But it has done better than others in the sector, some

of which are reporting losses.

After cutting its costs to the bone, and reducing gearing to almost nothing, it should at least be able to maintain prof-

its this year, and the dividend

looks safe. A prospective yield of 11.1 per cent and p/e of 6.4 is a far cry from tha 2.5 per cent yield and 15.6 multiple the shares were floated on. It may

be a while before the shares

rating improves but there should not be much downside

London and the south of England, which contributed nearly 80 per cent of YRM's turnover in 1989-90, had been the worst hit area, Mr Poulson said, but the group's wide range of services, readiness to take on smaller commission and expansion into Scotland and Enrope meant it had gained market share. Turnover was down 14 per

## **East Midlands Electricity** in European joint venture

By Juliet Sychrava

the regional electricity supply coapany, will join with five European electricity companie in a joint venture to invest in power station projects anund the world, the company amounced yesterday. Sast Midiands will hold 27

pr cent of the joint venture, to b known as Independent hwer Generators (IPG). Comngnie Generale des Eaux, the kench water and public works ompany will bold 29 per cent, nd Electricite de France, the rench national electricity

ompany, 19 per cent.

A private Spanish electricity company, the Iberdrola Group, will hold 15 per cent of the company, while Alcatel Alsthon, the French telecommnnications, transport and energy company, will hold 10 per cent. IPG's first project will proba-

bly be a modest gas-fired power station in the UK, similar in size and cost to the £200m 350MW station East Midlands is building at Corby, North-amptonshire, said Mr Phil Champ, chairman of East Midlands' generation division. "I've a view that there's a digestible size for the UK market. You have to find purchas-

EAST MIDLANDS Electricity, the regional electricity supply company, will join with five ers for the power," be said.

East Midlands will probably announce further details of the project at the end of the summer, Mr Champ said, but the station is likely to be on the east coast, where access to gas pipelines from the North Sea is

> There are now about 50 independent power stations being planned in the UK, although several projects collapsed this snumer when they ran into difficulties securing contracts for gas to be delivered in 1993

and 1994.

But Mr Champ said there would be no problem securing gas supplies from 1995 onwards. There are a number of oil companies with gas to sell for the mid-1990s," be said. Other independent power projects, such as the 1,725MW Teeside power station being built by a consortium led by the US power company Enron, have run into planning difficul-

East Midlands' own second power station project, at Rugby, in Warwickshire, also faces planning problems. "We will go ahead, but may have to find another site," said Mr Champ yesterday.

## Shares jump at Victoria Carpet

SHARES in Victoria Carpet Holdings rose 19p to 124p after it reported a 6 per cent fall in annual taxable profits which it described as being "less than might have been expected in what has been a very difficult 12 months for the industry." On turnover 5.5 per cent lower at £36.7m (£38.9m) for the year to end-March, profits fell from £2.03m to £1.9m. After tax

of £576,000 (£789,000) earnings came out at 19.15p (19.86p).

The dividend is being maintained at 4.5p which, taking into account waivers, will absorb £276,000.

For the future short-term trading prospects remained depressed in the UK and Australia. However the capital spending programme was being maintained at a high

#### Expansion leaves Ramsden's lower

The initial expansion moves by Harry Ramsden's left the West Yorkshire-based fish and chip restaurant operator with interim pre-tax profits lower at £74,000, against £134,000. The chairman said however that the result was above hudget.

The performance was the result of good figures from the joint ventures in Blackpool and Glasgow which offset a 5 per cent fall at its original restau-rant in Guiseley, Leeds. Negotiations are proceeding for further joint ventures, including one in Hong Kong. Turnover for this USM-quoted company in the 26 weeks to March 31 was £715,000 (£754,000). Earnings came out at 0.8p (1.4p) but the interim dividend is maintained at 1p.

#### Everards rises to £298,000

The benefits of a capital investment programme, now nearing completion, enabled Everards Brewery, the Leicester-based independent brewer, to lift its pre-tax profits from £2,000 to £298,000 for the six months ended March 30.

(£13m) but the investment programme resulted in an increase in interest charges from £434,000 to £817,000. The Interim dividend is being lifted to 6.2p (5.8p) from earnings of 9.5p (losses 0.3p).

Turnover of rose to £15.03m

#### **Estates & General** property sale

Estates & General has sold a portfolio of 10 investment properties to a joint venture com-pany for £4.3m.

The new company will be equally owned by Estates & General and WE Black, a pri-

vate company.

The investments, which are mainly retail, currently generate income of about £400,000 a year, a yield of some 10 per cent. All the properties will be managed by WE Black. The transaction is being

financed mainly by a £3m non-recourse five-year term loan, with the balance being pro-vided equally by the partners.

#### **DIVIDENDS ANNOUNCED**

	Current payment	Date of payment	corres - ponding dividend	for year	last year
Aegleint	2.75t	Oct 9	2.75		5.85
Harland Simonfin	5.5t	Sept 27	4.5	7.5	6
Jersey Phoenixfin	1.875	Sept 26	2.125	5.25	5.125
Ramaden's (H) §int	1	Sept 20	1	-	4.5
Rights & issuesint	2.2	Sept 30	2	-	7,5
Victoria Carpetfin	4.5	Oct 4	4.5	4.5	4.5
YRMfin	3.35	Oct 16	3.35	5	5

vidends shown pance per share net except where otherwise stated.

Floating Euro-dollar Repackages Assets of the Republic of Italy due 1993 For the period from July 31, 1991 to October 31, 1991 the Notes will carry an interest rate of 6km per annum with an interest amount of US \$1,541.82 per US \$100,000 Note.

Société Aponyme

The relevant interest payment date will be October 31, 1991.

US \$204,000,000 Republic of Italy Euro Repackaged Assets Limited F.E.R.A.R.I. I

## Exposure in a market no longer safe as houses

Vanessa Houlder looks at the background to Barratt's forecast losses and provisions

VEN BY the standards of the worst housebuilding slump in living memory, the scala of the losses forecast by Barratt Developments, the UK's third largest builder, laft the City gasping in cent to £23.7m (£27.5m), with the second half sceing a sharper fall than the first Mar-

gins improved during the year, though. The balllement of investors Earnings per share were 35 per cent lower at 9,35p (14.48p). The proposed final dividend is to be maintained at 3,35p givand analysts was undiminished yesterday, thanks to the com-pany's decision not to give fur-ther details until September of ing an unchanged total for the COMMENT

ther details until September of its £30m provisions and £100m pre-tax loss it predicted for the year to the end of June.

In a statement it merely said that the last six months had seen major losses in its subsidiaries in southern England and the US. The optimism it expressed in March about encouraging signs in the UK. encouraging signs in the UK and a major recovery in the US, proved to be ill-founded, it The terse announcement left

analysts foundering. Was the loss due to to specific failings within Barratt or was it due to market conditions, thus signal-ling further problems for UK housebuilders as a whole? In some respects Barratt is especially vulnerable. In the early 1980s its profits were nearly wiped ont after two World in Action programmes criticised its usa of timber frames in its houses and its marketing techniques. Although it eventually recovered, it was left wrong-footed

at the next upturn in the mar-

ket. "It came late to buying land and has a large land bank bought at the top of the cycle,"

says one analyst.

Analysts also reckon that Analysts also reckon that the company suffered as a result of its aggressive policy of taking buyer's old bouses in part exchange for new properties. It had 549 unsold second band houses on its books in the first half of the financial

Some believe that the real

problems have emerged in the company's Californian operations. So far, the company has not made any provisions against its exposure to the Los Angeles housing mar-ket, which has experienced a boom and bust of its own: But the problems may be closer to home. One analyst, who is close to the company, is adamant that the problems predominantly stem from the predominanty stem from the company's operations in southern England. As the profitability of househulders has dropped the demand for land—and its price—have tumbled. For instance, land around the M25 motorway that cost

£1.25m per acre in 1988 is now worth just £250,000. The glimmer of optimism that emerged after the Gulf war has been overcome by fears of a deepening recession and unemployment. A survey by Halifax Building Society earlier this month showed that falling interest rates had failed



Sir Lawrie Barratt: has no doubts about his decision to come out of retirement and take control again

to trigger increased turnover.
The decline yesterday of the share prices of some other housebuilding companies sug-gests that Barratt's announcement may have wider implica-tions. If land prices in the south have plummetted, other UK housebuilders will have to make further provisions.

Another possible consequence is that Barratt will be forced to cut house prices to raise cash, which would have a damaging knock-on effect on

other builders There was, however, a suspi-cion among analysts that the provisions at Barratts have been exaggerated to accentuate

its eventual recovery. "Sir Lawrie has thrown the kitchen sink at the window," said one. Where does Barratt go now? The company's champions believe that reducing the size of its land bank will be enough to get its gearing down to the 50 per cent target set by Sir Lawrie. If it sold 3,500 units over the year and bought no new land, it would free £70m that had previously been tied up in land.

Other analysts are less san-guine. "I am flabbergasted by the extent of the write-downs" said Mr Ben Uglow, a construction analyst at Salomon Brothers. "The core of the problem is they have no inter-est cover whatsoever. How are they going to meet their inter-

est payments?"
Many analysts think that, many analysts think that, given dehts of about £180m, gearing will have gone over 100 per cent causing a breach in the company's covenants. However, according to one analyst, the company has already renegotiated its banking facilities earlier this year.

earlier this year.
There is speculation about the need for a restructuring or rights issue. A takeover bid may another option, although the list of potential buyers is

not a long one.
So Sir Lawrie Barratt's dramatic decision to come out of retirement to head the company once again may prove a tough one. "You cannot belp but feel it is more emotional, rather than rational," said one

analyst. On Monday, bowever, Sir Lawrie admitted no doubts. "I am very confident about the medium and long-term pros-pects of the group, and indeed I should not have returned had I not had this belief."

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By Pablo Bachelet in Santiago

MANAGEMENT and unions at El Teniente mine of the Chilean Copper Corporation (Codelco) were holding lastminute discussions yesterday to avert the strike that workers at the mine had voted overwhelmingly in favour of the evening before.

The strike, in support of demands for higher pay, will begin at midnight tomorrow unless the unions agree to postpone the date so that nego-

tiations can be prolonged.
"The company would have to improve its proposal substantially," said Mr Sergio Shipley, who represents 6,000 miners at the negotiating table.

Over 95 per cent of the worksrs rejected a company pro-posal that included a P175,000 (\$500) a man one-off bonus and a profit-sharing mechanism for 2 per cent of the mine's earn-

ings.
"The vote shows miners are united and willing to strike," Mr Shipley said.

Unions are demanding pay increases, which range from 9 to 12 per cent in real terms.

The failure of negotiations to result in conclusion of an agreement so far indicated some deep-seated problems at Teniente, one of the world's largest underground mining operations, where rising costs are lowering profits.

This makes it unlikely that a profit-sharing deal like the one that helped to end a two-week stoppage at Codelco's Chuqui-camata mine earlier this month will provide the basis for a compromise.

tonnes		
Aluminium	+8,900	to 500,060
Copper		to 261,600
Lead	+ 1,125	to 85,025
Nicksi	+ 258	to 6,420
Zing	+225	to 120,275
Tin	+55	to 14,480°

Under ther management's proposals Each miner at El Teniente would receive \$100, compared with the \$500 awarded to their counterparts at Chuquicamata. Mr Shipley rejected a com-

pany counterproposal to peg future salary increases to "We can't peg bouuses to cost items we don't control. like fuel prices and copper stock levels," he explained. The union leader recognises

that the mine is hugely over-manned, with 9,000 miners expected to produce 296,000 tonnes of copper this year, half of output at the Chuqui-camata's mine which has a payroll of a similar size.

Meanwhile, the company, in anticipation of a strike, began turning off furnaces yesterday at Caletones, a smelting and refining complex near El Ten-

Mr Daniel Trivelli, who heads the company's negotia-ting team, said losses resulting from the strike are expected to be "in the order of \$450,000 per

The strike, however, will not affect the large work force con-tracted for specific duties by management, including mine expansion and the installation of new grinders, according to Mr Jorge Revuelta, El Teuiente'a administrative manager. However, no production would occur during a strike, he

## Silver stocks reappraisal urged

THE WORLD silver stockpile is "grossly over-estimated" and about half of it is unsuitable for key industries because of poor quality, according to a Mexican government official, reports Renters from Coeur

D'Alene, Idaho. Mr Alfredo Elias, under-sec-retary of mines and basic industry in the Ministry of Energy, who is attending the Silver Institute's annual conference, said about 50 per cent of the stocks are not of sufficient quality for use by the photographic and electronic

He stressed; "You have to upgrade tha quality. You can do it through another process, but it costs a lot of money."
As part of world stockpiles, Mr Elias included stocks held by the US government, industry and foreign governments, as well as unreported investment stocks and those held by the futures exchanges. He said that Mexico, the US and Canada plan to fund a study of the size and quality of world stocks with funding coming from a levy on production in tha three countries of 1.5 cents a troy cunce, Mr Elias told the conference.

Actual analysis will be done by an "independent, reputable consulting firm" that will be selected over the next few months, he added. The three countries want the

independent consultant to come up with "reliable figures on production" They want an "in-depth

study into what inventories really are", according to Mr Elias. It is planned that up to date data shall be published twice a year. Estimates of high stocks are unnecessarily driving down world prices, Mr Elias told the

conference. At the New York Commodity Exchange (Comex) alone, silver stocks stood last Friday at 275.79m troy ounces, slightly down from an all-time high set a week earlier. Silver futures for September delivery at Comex are trading at just above \$4 an ounce, down from

a 1991 high of \$4.70 and life-of-contract high \$6.46:

Growth in Mexico's mining sector will slow this year from last year's 7.7 per cent as the low level of world prices takes its toll, Mr Elias said. But he said growth would not be eliminated because of expansion in certain non-metallic minerals, Salt, sulphur, coal, copper and non-metallic minerals such

as flouride were all "doing very "It depends on how you count growth," he added. "If you count on volume, we will

probably have increases in most minerals. But if you count on value, there will be reductions due to lower world

In 1990, domestic mining investment grew to \$570m from about \$200m in 1989.

#### MINOR METALS PRICES

Prices from Metal Bulletin (last ANTIMONY: European free tonne, in warehouse, 1,640-1,670 (1,620-1,650).

BISMUTH: European free market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 2.90-3.20 (same). CADMIUM: European free

market, min. 99.5 per cent, \$ per lb, in warehouse, 1.40-1.60

COBALT: European free

MERCURY: European free market, min. 99.99 per cent, \$ per 76 lb flask, in warehouse, 75-95 (80-95).

MOLYBDENUM: European free market, drummed molyb-dic oxide, \$ per lb Mo, in warehouse, 2.30-2.35 (2.32-2.37).

SELENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse, 4.80-5.40. free market, standard min. 65 per cent, \$ per tonne unit (10 kg) WO<sub>3</sub>, cif, 56-60 (same).

VANADIUM: European free

market, min. 98 per cent, \$ a lb V<sub>2</sub>O<sub>5</sub>, cif, 2.30-2.50 (2.40-2.50). URANIUM: Nnexco exchange /value, \$ per lb, U<sub>3</sub>O<sub>8</sub>, 9.05 (same).

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## **Platinum** forced below gold by Japanese

By Kenneth Gooding, Mining Correspondent

DISILLUSIONED JAPANESE investors sparked off another sharp fall in the price of plati-num yesterday to the lowest level for five and a half years. It closed in London well below the price of gold - something that has happened only briefly on two occasions since 1986. Platinum ended the day in Loudou at US\$358.10 a troy ounce, down \$7.65.

"The upside for platinum is now fairly limited," suggested Mr Ted Arnold, analyst at the Merrill Lynch financial services group. 'Perhaps it might go to \$380 or \$390, but then it will run into a lot of forward selling. The market has capped itself for some time."

Yesterday's fall started overnight on the Tokyo Commodity Exchange (Tocom) as some substantial Japanese investors decided to take a loss on con-tracts to buy platinum for

future delivery.

They were influenced by the weakness of the yeu against the US dollar and the behaviour of the platinum price since it was sent reeling in May when Nissan, the secondlargest Japanese car producer, said it had developed an auto-motive catalyst which did not use platinum or rhodium but palladium, which is cheaper. Production of car catalysts, used to clean up exhaust

fumes, accounts for about 40 per cent of platinum demand and Nissan's revelation caused 1 \$25 an ounce overnight drop in the price.

The market's bearish sentiment has been encouraged by news that exports from the Soviet Union, the second-larg-est producer after South Africa, had soared in the first half of this year. An analysis of official statis-tics by Mr Tony Warwick-

Ching of the Commodities Research Consultancy group shows Soviet platinum exports to Switzerland, a clearing centre for precious metals, np from 2,009 kg in the first half of 1990 to 22,671 kg.

The announcement last week that Rustenhurg, Sonth Africa's biggest platinum pro-ducer, was to a new low-cost open pit mine in the Northern Transvaal, unsettled the mar-

Gold and allver prices followed platinum down yester-day. Gold closed in London at \$362.65 an ounce, down \$2.55, at 404.5 cents an ounce. Mr Arnold pointed ont that demand for both these metals was very weak and "precious metals are no different from base metals, there is nothing mystical about them. If demand is not there, the price won't go up".

# Poisonous jam prescribed for possum pests

Dai Hayward on a threat to New Zealand's forests and cattle

TEW ZEALAND'S billion-dollar-a-year beef export industry faces a potentially catastrophic threat from a bright-eyed, pink-nosed, sharp marshpial – the pos-sum, which invading grass pas-tureland carries the menace of bovine tuberculosis to cattle herds.

Imported into the wild origi-nally from Australia 100 years ago – and not to be confused with the American opossum – it has thrived in the lush forests of New Zealand and has developed into a larger, quite different animal to its ancestors. Its uumbers multiplied rapidly until, helped by the anti-fur campaign which virtu-ally put an end to trapping there has been a population

The possum has wiped out large tracts of native forest and is threatening the native Christmas tree - the pohutu-kawa - which is so named because of its mass of bright red December blossom, with extinction. Most serious of all it carries the TB virus. Bovine TB was eradicated from cattle berds some years ago but recently animals grazing near the forest edge have been diag-nosed as having the disease. Its existence was revealed in

the regular two yearly checks carried out on all dairy and beef herds. Infected cattle are immediately slaughtered, animals banned from grazing on land where they fed and move-ment of all stock from affected farms prohibited. New Zealand was already

spending NZ\$18m (US\$10.2m) a year trying to control possum numbers but now more money and a greater urgency is being devoted to the fight against the engaging mammal.

The advance of the TB-carry-ing possums has been described as "an ecological

disaster". Hillsides and forest valleys that were a blaze of scarlet in summer months are now huge patches of grey with upto 50 per cent of the trees killed or dying. The nocturnal marsupials can destroy trees more than 100 feet tall by eat-ing everything – the bark, buds, berries, leaves and flow-

Currently 70 m. possums are estimated to be eating their way through the forests. They are also attacking horticultural crops and home gardens as they take up residence in city parks, Trapping and using cya-nide poison baits had little impact on their numbers and there is now growing clamour for the authorities to use the extremely powerful 10-80 poi-son, which has been banned from general farm use because

of its extreme toxic qualities Before the collapse of international fur prices many sea-son workers spent the winter bunting possums, shooting up to 200 m a night – a quick, pethaps more humane death, than poisoning. Now the market no longer make it worth-while spending nights in the bush tracking the creatures.

It is perhaps ironical that European and American ani-mal lovers who mounted the anti-fur campaign against

women wearing fur coats have directly contributed to the much more unpleasant death by poisoning of possibly mil-lions of these animals. At the same time hird lovers are concerned that 10-80 poison pellets dropped from the air will also kill native species. Government scientists are trying to find a composition which will repel birds hut attract pos-

In one controlled attack on an offshore island where 180 tonnes of poison pellets rained from the skiss cinammon



proved to be the most effective. It was rejected by the birds but appealed to the possums.

Conservation officers and scientists agree that trapping.

shooting or poisoning can only have a delaying effect on the possum population explo-sion. Their reproduction rate is high. They have the ability to produce a new joey, as tha young babies are called, every 27 days. Fortunately, however, female possums generally breed only twice a year.

Possibly the best hope of reducing the threat is to find a virus-carrying insect which could infect the animal making it sterile. As it is, desperate scientists have even tried biodynamic control.

This involves hurning the animals' testicles and fur, mix-ing the ash with sand and spraying it onto grass or crops then the moon is in the right quarter. The theory, put forward in all seriousness is that the mixture would repel pos-sums and be a cheaper, safer

method of eradicating t than poison. The mixture no effect. Possums held in happily chewed on treated to while untreated food nearby.

Farmers and agricultual officials in the extreme noth are banding together to lish a "line of death" right across the country. They be to protect more than a milh ease-free dairy and beef tle from the menace of TB which has been detected possums 60 miles to the sout Established at a narrow in of the country the cordon wi be 20 miles long and a halfmile wide. The strip will ! thickly spread with poisonous jam which, it is hoped, it appeal to the possums' buds but be ignored by other wild life.

The project may sound ludi-crous. But it is at least an indication of just how seriously farmers and the authorities view the threat from the cud-dlesome marsupials.

## Grain prices ease after profit-taking

By Barbara Durr in Chicago

GRAIN MARKET participants cashed in on the recent price rally at the Chicago Board of Trade yesterday, causing prices to drop slightly.
Futures prices for maize and soyabeans, which have been

pushed up by a drought in the Midwest, fell back from their large gains on Monday. In the morning September delivery maize fell 1.5 cents to \$2.55% and September soyabeans dropped 3.25 cents to \$5.85. Grain analysts said farmers were selling heavily to take

1297/1293

336/334

0150/8100

6770/5750

WORLD COMMODITIES PRICES

, 99.7% purity (\$ per tonne

5690-700 5780-5

advantage of the market's highs and commercial users were also taking profits. As dry, hot weather has settled over the last several weeks in the central grain belt states of Iowa, Illinois and Indiana,

crops have been steadily deterforating.
The US Department of Agriculture's weekly crop couditions report, released after the close of trading Monday, scaled down the percentages of crops

that are considered to be in

good or excellent shape.

107.010 lots

128.023 lots

15,280 lots

13.534 lots

7.067 lots

(Prices supplied by Amalgemeted Metal Trading)

AM Official Kerb close Open Interest

1295-6

1346-7

333-5

0100-5

5740-5

8075-80

Total dally turnover 24,532 job

Total daily turnover 27,529 lob

Total delly turnover 4.267 lots

Total dally turnover \$.057 lots

Total daily turnover 2.351 lots

Total daily turnover 7,833 lots

The amount of Indiana soyabeans rated in good condition, for example, fell to 31 per cent this week from 40 per cent last week. And, in Illinois, soya-beans rated good or excellent dropped to 47 per cent from 58 per cent. Topsoil moisture is short by 98 per cent in Indiana, 93 per cent in Illinois and 83 per cent in Iowa, the USDA

Weather forecasters predict normal rainfall in Illinois and subnormal rainfall in Indiana over the next week or so. Tem-

Chicago

HEATING OIL 42,000 US galls, cents/US galls

peratures are expected to be within normal ranges.

The International Wheat Council plans to revise upwards its forecast for Soviet grain imports in 1991-92 (July-June), an IWC official said yesterday, reports Reuters.

"Imports will rise due to a lower crop," said the official, adding tha Soviets had recently received more grain credits. The USDA on July 1 revised its forecast of Soviet grain imports upwards by 3m tonnes to 33m in 1991-92.

#### **MARKET REPORT**

THE OLD adage urging apeculators to "buy on the rumour and sell on the news" seemed to sum up London Metal Exchange traders' responsa to yesterday's announcement that miners at Chila's El Tenlente copper mine had voted to go on strike from tomorrow night (see story above). The cash copper price, which had risen £37.50 a tonne in three trading days as the strike vote approached, fell back £13 sterday to £1,323 a tonna. Dealars said that it was generally expected that a settlement would be achieved before tomorrow'a deadline. At the London Futures and Options Exchange Coffee prices regained soma of Monday

#### **London Markets**

-cildoii aidi	1200			
SPOT MARKETS			Runn	290.00
Crude oil (per barrel FOB)		+ or -	Aug	211.00
Dubel	\$16.20-6.30	+0.06	Dec	203.00 190.90
Brent Blend (dated)	\$19.45-0.550		May	197.60
Brecz Blend (Sep)	\$19.50-0.55		Aug	200.00
W.T.L (1 pm est)	\$21.40-1.45	+0.10	Oct.	200.00 Close
Oil products			Oct	284.0
(NWE prompt delivery per t	onne CIF)	+ 07 -	Dec	275.0
Premium Gasoline	\$243-245		Mar May	274.0 275.4
Gas Off	\$189-190		Aug	274.0
Heavy Fuel Oil	\$68-70		Oct	259.9
Naphtha	\$194-196	-1	Turnove	c Rew
Petroleum Argus Estimates	<u> </u>		White 10	160 (146
Other		+ or -	Parls- W	
Gold (per troy oz)	\$382.65	-2.55	CNUDE	OEL -
Sliver (per troy ox)	404.5a	-4.5		فهرا
Platinum (per troy (z)	\$368.10	-7.66	Sep	19.4
Palladium (per troy oz)	\$86.25	-5.85	Oct	19.5
Casasa (IE Braduses)	104.5c		Nov Dec	19.6 19.6
Copper (US Producer) Lead (US Producer)	60c		Jan	19.4
Tin (Kuala Lumpur merket)		-0.03	Aor	19.3
Tin (New York)	283.0c	-1.5	IPE Inde	x 19.6
Zinc (US Prime Western)	62c	-120	Turnove	22496
Cettle (live weight)	106.34p	-1.46"	QAS OF	, <u> </u>
Sheep (dead weight)†	121, <b>50</b> p	+4.88*		Close
Pigs (IIve weight)†	66.19p	+0.54"	Aug	185.50
			Sep	186.25
London dally sugar (raw)	\$296.6y	-4.4	Oct	188.25
London daliy sugar (white)		-1.5	Nov	189.78
Tate and Lyle export price	1287.5	-3.5	Dec Jan	190,75 187,25
Barley (English leed)	E118.0t	_	Feb	181.50
Maize (US No. 3 yellow)	£180.5		Mar	176.00
Wheat (US Dark Northern)	Ųną.		Apr	173.75
Pubber (Sep)♥	53.75p	-0.25	Turnover	5946 (4
Rubber (Oct)♥		-0.25		
Rubber (KL RSS No 1 Aug)		-0.5	! <u></u>	
<del></del>			JUIE	Seplemi
oconut oil (Philippines)5	\$465q	_		960 \$470
Palm Oli (Malaysian)§		-5		rp BTC
Copra (Philippines)§	\$3052		BWD \$4	
Boyabeans (US) Cotton "A" index	£159 79.20c	+2		
Vooltops (64s Super)	/9.20C 392p	-0.25	1	
	<u> </u>		COTTO	
a zonne uniess otherwise	stated p-per	nce/kg.		oi- Spot aded Jul
⊢cents/ib. r-ringgit/kg. q	-Sep/Oct t-C	Ct/Dec	WORK OF	کال تاجمی

declina, aithough traders said there was little reaction to news that members of the Brazillan coffee Industry were meeting to discuss their stance on the renegotiation of the moribund international Coffee Agreement. The September futures price closed £4 higher on the day at 2538 a tonne. Cocoa prices registered modest falla as dealars reported algas of selling by Ivorian and Malaysian producers. There was no reaction to the International Cocoa Organisation's announcement that it had raised

Co	8,000 to	trom Re	rom 89,000 suters
SUQAI	l Lynd	less PCOC	(\$ per toor
Runy	Close	Previous	High/Low
Aug	290.00	270.00	290.00 245.00
Oct	211.00	218.80	212.00 208.40
Dec Mar	203.00 190.90	196,00	193.00 194.20 192.00
May	197.60	198,20	195.60
Aug	200.00	199.80	197.00 195.60
Oct	200.00	194,80	193.60
While	Close	Previous	High/Low
Oct Dec	284.0 275.0	283.0 274.5	284.6 282.5 275.5 274.5
Mar	274.0	274.5	274.5 274.0
May	275.4	276.0	278.0 274.0
Aug	274.0 259.9	275.5 280.5	275.5 274.0 261.0 259.4
			atu of 60 tonnes.
White 1	080 (1484	3	
Paris- 1	Mbite (FFr	per tonne	: Oct 1684
CNUDE	( OEL - II	PE	\$/berr
	Lete	st Previo	us High/Low
Sep	19.45		19.58 19.37
Oct Nov	19.54 19.61		19.68 19.48 19.65 19.47
Dec	19.66		19.70 19.48
	19.40		19.48 19.45
1971	19.36		19.38 19.29
Apr			19.61
Jen Apr IPE Ind	ex 19.61		
Apr IPE Ind Turnove	ex 19.61 or 22496 (		
Apr IPE Ind Turnove	ex 19.61 or 22406 ( L — <b>8PE</b>	21336)	\$/tons
Apr IPE Inde Turnove	ex 19.61 or 22496 ( L — #P# Close	21338) Provious	High/Low
Apr IPE Inde Turnove BAS OI	ex 19.61 or 22496 ( EL — 4PE Close 185.50	21338) Previous 185,78	186.50 163.50
Apr IPE Inde Turnove BAS OI Sep	ex 19.61 or 22496 ( L — 4PE Close 185.50 186.25	21338) Previous 185,78	186.50 163.50 186.25 184.25
Apr IPE Ind Turnove BAS Of Mug Sep Oct	ex 19.61 or 22496 ( EL — 4PE Close 185.50	Previous 185.78 186.50 188.78 189.50	High/Low 185,50 163,50 186,25 184,25 186,25 190,00 187,75
Apr IPE Inde Turnove OAS OI Aug Sep Oct Nov Oec	ex 19.61 or 22496 ( IL - 4PH Close 185.50 186.25 189.78 180.75	21338) Previous 185.78 186.50 188.78 189.50 190.50	High/Low 186,50 163,50 186,25 184,25 188,25 180,00 187,75 191,00 188,25
Apr IPE Inde Turnove BAS OI Sep Oct Nov Dec	ex 19.61 or 22496 () L - 4PK Close 185.50 186.25 158.25 159.75 187.25	Previous 185,78 186,50 189,78 189,50 190,50 186,76	14gh/Low 185.50 163.50 186.25 184.25 188.25 190.00 167.76 191.00 168.25 166.78 185.50
Apr IPE Inde Turnove BAS OI Aug Sep Det Nov Dec Ien	ex 19.61 or 22498 ( B. — 4PE Close 185.50 186.25 189.25 189.75 187.25 187.25 181.50	21338) Previous 185.78 185.50 189.78 189.50 199.50 196.76 187.50	High/Low 185.50 163.50 185.25 184.25 188.25 190.00 187.75 191.00 185.25 186.78 185.50 181.50
Apr IPE Inde Turnove BAS OI Aug Sep Det Nov Dec Ien Seb Sar	ex 19.61 or 22496 () L - 4PK Close 185.50 186.25 158.25 159.75 187.25	Previous 185,78 186,50 189,78 189,50 190,50 186,76	14gh/Low 185.50 163.50 186.25 184.25 188.25 190.00 167.76 191.00 168.25 166.78 185.50
Apr IPE Indi Turnove BAS OI Sep Oct Nov Dec Jen Feb	ex 19.61 or 22406 ( EL — 4PW Close 185.50 186.25 159.78 190.75 187.25 181.50 178.00 173.75	21338) Provious 186,78 186,50 188,78 189,50 190,50 190,76 181,50 176,75	High/Low 185.50 163.50 186.25 184.25 188.25 190.00 187.75 191.00 183.25 186.78 185.50 181.50 176.00 173.76 173.00

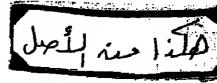
unted to 63 tonner

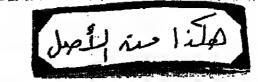
Jul Sep Dec	630	633	623		Almonton, t	
Dec	642	646	646 635			263-6
	677	687	384 674		3 months	296-7
Mar	712 733	722 739	717 708 736 729		Copper, Gra	de A (E p
Jul	748	758	755 749			322-4
Sep	766	778	778 767			341.5-2
Turnov	er: 5018 (	10280) lota	of 10 tonne		Leed (£ per 1	onne)
ICCO I	indicator p	prices (SD	Re per tons	io). Daily	Cash 3	22-3
	or Jul 23 30 787.20		5.27) 10 day	Wested	-	34-4.25
		(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			Hickel (3 per	_
COPPI	IZ Low	dem POX		2/tonne		1075-85 1100-5
	Close	Previous	High/Low			
Jul .	517	620	620 515		The (\$ per tor	
Sep	538	534	539 534		Cash 5	655-65 745-50
Nov	559	557	550 555		Zinc, Special	
Jen Mar	578 592	574 588	579 574 582 586			055-7
						072-3
			of 0 tonnes conts per p	we from	LME Closing	2/3 rate
July 2	9 : Comp	delly 6	3.30 (63.30)	15 day	SPOT: 1,6802	
	e 64.14 (6			_		
POTA	roes - L	enden PO	×	€/tonne		
	Close	Previous			LONDON B	NOTTE:
4					(Prices sup)	pled by
Apr	96.5	98.5	98.6 98.0		Gold (fine o	z) 5 pric
Turney	er 85 (92)	lots of 20	tonnes.		Close	362,40
			~	Charac	Opening	362_10
	_	onden PC		£/tonne	Morning fix Atternoon fix	382.30 961.35
	Close	Previous	High/Low		Day's high	382.70
Aug	127.00	125.00	127.00		Day's low	380.90
Dec	135.60	137,00	135.50 134		Loco Ldo M	ean Gol
Turnoy	er 284 (43	lots of 20	tonnes.		1 month	5.4
	WT - Lo-		£107-	den neles	2 months	5.4
	HT - Len			dex point	0 months	5.4
	Close	Previous			Silver fix	přine
الما	1485	1491	1490		Spot	240.20
lug	1501	1495	1500 1490		3 months	240,75
Oct Man	1 <b>606</b> 1018	1606 1812	1610 1500 1610 1612		S months	253.15
kui.	1915 1 <b>38</b> 5	1380	1390		12 months	265.90
		1485	1474		GOLD COR	13
3F1	1474					
					(Prices sund	
	1474 er 66 (33)				(Prices supp	alled by
Титоу	er 66 (33)					siled by \$ pri
Титоу				£/tonne	Krugerrand	\$ pri 361.2
GRAN	er 66 (33) 45 – Len	den POX	High/Low		Krugerrand Maple leaf	\$ pri 361.1 369.1
QRAH Wheet	er 66 (33) 45 - Leo Close	den FOX			Krugerrand	\$ pri 361.1 369.1
GRAD Wheat Nov	er 66 (33) es - Les Close 114.45	den POX Previous	114.50 11	4.40	Krugerrand Maple leaf	\$ pri \$ pri 361.1 369.1 lgn 87.20
GRAD Wheet Nov Jan Mar	er 66 (33) 45 - Leo Close	den FOX		4.40	Krugerrand Maple leaf New Sovere	\$ pri 361.1 369.1 ign 87.20
GRAD Wheel Nov Jan Mar	es - Less Close 114.45 177.80	Previous	114.50 11 117.90 11	4.40	Krugerrand Maple leaf New Sovere TRADED O	\$ pri 361.1 369.1 ign 87.20 PTICHS
GRAD Wheet Nov Jan Mar May	es 66 (33) es - Les Close 114,45 177,80 121,00 124,00	fem POX Previous 114.80 117.85 121.00 123.86	114.50 11 117.90 11 121.00 124.00	4.40 7.85	Krugerrand Maple leaf New Sovere	\$ pri 361.1 369.1 ign 87.20 PTICHS
GRAN Wheet Nov Jan Mur May Burley	er 66 (33) Close 114.45 177.80 124.00 Close	fem POX Previous 114.80 117.83 121.00 123.85 Previous	114.50 11 117.90 11 121.00 124.00 High/Low	4.40	Krugerrand Maple leaf New Sovere TRADED Of Aluminium ( Strike price	\$ pri 361.1 369.1 ign 87.20 PTICHS
GRAM Wheet Nov Jan Mar Mar May Berley Sep	es 66 (33) es - Leas Close 114.45 177.80 121.00 124.00 Close 109.60	Previous 114.80 117.85 121.00 123.85 Previous	114,50 11 117,50 11 121,00 124,00 High/Low 109,70 10	4.40 7.85	Krugerrand Maple leaf New Sovere TRADED Of Aluminium ( Strike price 1200 1300	\$ pri 361.1 369.1 ign 87.20 PTICHS
GRAB Wheet Nov Jan Mar Mar May Burley Sep Nov	er 66 (33) 68 - Lea Close 114.45 177.80 121.00 124.00 Close 109.60 113.50	fem POX Previous 114.80 117.83 121.00 123.85 Previous	114,50 11 117,50 11 121,00 124,00 High/Low 109,70 10 113,60 11	4.40 7.85	Krugerrand Maple leaf New Sovere TRADED Of Aluminium ( Strike price	\$ pri 361.1 369.1 ign 87.20 PTICHS
GRAD Wheet Nov Jan Mar May Berley Sep Nov Mar	es 66 (33) es - Leas Close 114.45 177.80 121.00 124.00 Close 109.60	fem FQX Previous 114.80 117.85 121.00 123.85 Previous 109.78	114,50 11 117,50 11 121,00 124,00 High/Low 109,70 10	4.40 7.85	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 Strike price 1200 1300 1400	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAD Wheet Nov Jan Mar May Berley Sep Nov Mar May	er 66 (33) 65 - Len Close 114.45 177.80 124.00 124.00 Close 109.60 113.50 119.25 120.90	Previous 114.80 117.85 121.00 123.86 Previous 109.78 113.80	114.50 11 117.90 11 121.00 124.00 1 High/Low 109.70 10 113.60 11 119.30 120.60	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED OF Attanham (1 Strike price 1200 1300 1400 Copper (Gra	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAB Wheet Nov Jan Mar May Bertey Sep Nov Mar May Turnov	er 66 (33)  es - Len  Close 114.45 117.50 124.00  Close 109.00 119.50 119.50 120.00  Close TOP.00 TO	dem FOX Previous 114.60 121.00 123.86 Previous 109.78 113.80	114.50 11 117.90 11 121.00 124.00 1 High/Low 109.70 10 113.60 11 119.90 120.90 Barley 87 (3	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 Strike price 1200 1300 1400	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAM Wheet Nov Jan Mur May Burley Sep Nov Mar May Turnov	er 66 (33)  es - Len  Close 114.45 117.50 124.00  Close 109.00 119.50 119.50 120.00  Close TOP.00 TO	Previous 114.80 117.85 121.00 123.86 Previous 109.78 113.80	114.50 11 117.90 11 121.00 124.00 1 High/Low 109.70 10 113.60 11 119.90 120.90 Barley 87 (3	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 Strike price 1200 1300 1400 Capper (Gra	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAM Wheet Nov Jan Mar May Burley Sep Nov Mar May Turnov	er 66 (33)  es - Len  Close 114.45 117.50 124.00  Close 109.00 119.50 119.50 120.00  Close TOP.00 TO	den FOX Previous 114.80 121.00 123.85 Previous 109.78 113.80 74 (122), 100 tonno	114.50 11 117.30 11 121.00 124.00 1 Nigh/Low 109.70 10 113.60 11 119.90 120.60 Barley 87 (3	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 Strike price 1200 1300 1400 Copper (Gra 2150 2250 2350	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
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GRAIS Wheel Wheel Nov Jen Mar May Berley Sep Mar May Turnov	er 66 (33)  es - Lea Ciose 114.5 177.50 121.00 124.00 Ciose 109.00 113.50 119.25 120.90 Loudon Ciose 90.0	den FOX Previous 114.89 127.85 121.00 123.85 Previous 109.78 113.80 74 (122), 100 torne	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 109.70 10 113.60 11 119.90 Barley 87 (3	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 200 1300 1400 Copper (Gra 2150 2250 2250 Coffee	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAD Wheet Nov Jan May Burley Nov Mar May Turnov Turnov PROS	85 - Leni Close 114.45 177.80 121.00 124.00 109.80 113.50 119.25 199.25 Close 90.0 90.5	fee FOX Previous 114.50 117.85 121.00 123.86 Previous 109.78 113.80 74 (122), 100 terms 1 FOX (C	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 108.70 10 113.60 11 119.30 120.60 Barley 87 (3	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADSD OI Aluminium (1 Strike price 1200 1300 1400 Copper (Gra 2150 2250 2350	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRABI Wheet Nov Jan Mar Mar Mar Mar Mar Mar Turnov Turnov PICE Sep Nov	85 - Leni Close 114.45 177.80 121.00 124.00 109.80 113.50 119.25 190.80 Close 90.0 Close 90.0 90.5 105.0	### POX (CPrevious Provious 19.28, 13.80 Previous 19.78 (CPrevious 19.78 (	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 108.70 10 113.60 11 119.30 120.80 Barley 87 (3 2. 2ash Settlem 90.5 98.0 105.0	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (1 200 1300 1400 Copper (Gra 2150 2250 2250 Coffee	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRABI Wheet Nov Jan Mar Mar Mar Mar Mar Mar Turnov Turnov PICE Sep Nov	85 - Leni Close 114.45 177.80 121.00 124.00 109.80 113.50 119.25 190.80 Close 90.0 Close 90.0 90.5 105.0	fee FOX Previous 114.50 117.85 121.00 123.86 Previous 109.78 113.80 74 (122), 100 terms 1 FOX (C	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 108.70 10 113.60 11 119.30 120.80 Barley 87 (3 2. 2ash Settlem 90.5 98.0 105.0	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Alaminium (1 200 1300 1400 Copper (Gra 2150 2250 2250 2550 Collee 500 600 Cocoa	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAM Wheet Mov Jan Mar Mar May Berley Sep Nov Mar Turnov Turnov Turnov Turnov	er 66 (33)  es - Les  Close 114.50 121.00 124.00 Close 109.00 113.50 119.25 120.00  er: Whest er lots of Close 90.0 90.5 105.5 105.5 105.5 105.6 105.6 105.6 105.6 105.6 105.7	den FOX Previous 114.89 121.00 123.85 121.00 123.85 Previous 109.78 113.80 74 (122), 100 Donne 1 FOX (( Previous 89.8 97.5 104.8 of 5,	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 108.70 10 113.60 11 119.30 120.80 Barley 87 (3 2. 2ash Settlem 90.5 98.0 105.0	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium (6 Strike price 1200 1300 1400 Copper (Gra 2150 2250 2350 2350 Coffee 500 600 Coccaa	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAM Wheet Wheet Mary Mary Mary Mary Mary Mary Mary Mary	85 - Leni Close 114.45 177.80 121.00 124.00 109.80 113.50 119.25 190.80 Close 90.0 Close 90.0 90.5 105.0	den FOX Previous 114.89 121.00 123.85 121.00 123.85 Previous 109.78 113.80 74 (122), 100 Donne 1 FOX (( Previous 89.8 97.5 104.8 of 5,	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 108.70 10 113.60 11 119.30 120.80 Barley 87 (3 2. 2ash Settlem 90.5 98.0 105.0	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Alaminium (1 200 1300 1400 Copper (Gra 2150 2250 2250 2550 Collee 500 600 Cocoa	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne
GRAM Wheel Nov Burley Burley Sep Nov Turnov Turnov	er 66 (33)  es - Les  Close 114.50 121.00 124.00 Close 109.00 113.50 119.25 120.00  er: Whest er lots of Close 90.0 90.5 105.5 105.5 105.5 105.6 105.6 105.6 105.7	den FOX Previous 114.89 121.00 123.85 121.00 123.85 Previous 109.78 113.80 74 (122), 100 Donne 1 FOX (( Previous 89.8 97.5 104.8 of 5,	114.50 11 117.90 11 121.00 124.00 1 Nigh/Low 109.70 10 113.60 11 119.90 Barriey 87 (3 9. Cash Settlen 90.5 98.0 105.0	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADED Of Aluminium ( Strike price 1200 1300 1400 Copper (Gra 2150 2250 2250 2350 Coffee 500 Cocca 825 650 675	S pri 361.1 369.1 369.1 369.1 369.1 369.1 369.1 369.1 369.1 369.7
GRAM Wheet Wheet Mary Mary Mary Mary Mary Mary Mary Mary	87 66 (33) 88 - Lesi Close 114.45 177.80 121.00 124.00 Close 109.00 113.50 119.25 120.00 er: Wheat er lots of Close 90.0 90.5 105.0 er: 27 (47) - Lesidor	fee FOX Previous 114.89 121.00 123.85 121.00 123.85 Previous 109.78 113.80 74 (122), 100 tonne 190.X (( Previous 69.8 97.5 104.5 ) lobs of 3,	114.50 11 117.90 11 121.00 124.00 1 High/Low 109.70 10 113.60 11 119.30 120.60 Barley 87 (3 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5 2.5	4.40 7.85 9.60 3.50	Krugerrand Maple leaf New Sovere TRADSD Of Aluminium (1 Strike price 1200 1300 1400 Copper (Gra 2250 2250 2350 Cotice 500 600 Coccas 625	\$ pri 361.2 369.2 lign 87.20 PTIONS 99.7%) \$ tonne

£/tonne	Cash 0 months
High/Low	The (\$ per t
620 515 539 534	Cash
KIRO KKK	O months Zinc, Speci
579 574 582 586	Cash
of O tonnes	Cash 0 months
cents per pound) for 3.30 (63.39). 15 day	SPOT: 1,68
(10,00)	
X E/tonne	LONDON
High/Law	(Prices su
98.6 98.0	Gold (fine
tonnes.	Close
ennat/2 X0	Opening Morning fi
High/Law	Atternoon Day's high Day's low
127.00 135.50 134.00	Day's low
) tonnes.	Loco Ldo 1 month
Espander - Alex	2 months
510/Index point High/Low	0 months
	Silver fiz
1500 1490	Spot 3 months
1490 1500 1490 1810 1500 1610 1612	S months 12 months
1390 1474	
	(Prices su
£/tonne	Krugerran
£/tonne High/Low	Krugerran Maple leaf
Michil ou	New Save
Michil ou	TRADED
	TRADED
114.50 114.40 117.90 117.85 121.00	TRADED ( Aluminium Strike pric
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low	TRADED
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low	TRADED Alumintum Strike price
114.50 114.40 117.90 117.85 121.00 124.00	TRADED Alumintum Strike price 1200 1300
114.50 114.40 117.50 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.96 Barley 87 (35).	New Sove TRADED ( Aluminium Strike pric 1300 1300 1400 Copper (Gi
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.90	New Sove TRADERO Aluminhum Strike pric 1300 1300 1400 Capper (G
114.50 114.40 117.50 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.96 Barley 87 (35).	New Sove TRADED Aluminium Strike pric 1200 1200 1400 Copper (Gr 2150 2250 2350
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low 109.70 109.90 113.90 113.50 119.90 120.90 Barley 87 (35).	New Sove TRADED Alaminium Strike pric 1200 1200 1400 Copper (Gi 2150 2250 2350
114.50 114.40 117.50 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.00 Barley 87 (35).	New Sove TRADED Aluminium Strike price 1200 1300 1400 Capper (Gi 2150 2250 2350 Coffee 500 550
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low 109.70 109.90 113.90 113.50 119.90 120.90 Barley 87 (35).	New Sove TRADED Aluminium Strike price 1200 1300 1400 Capper (Gi 2150 2250 2350 Coffee 500 550 600
114.50 114.40 117.90 117.85 121.00 124.00 1 Night/Low 109.70 109.90 113.90 113.50 119.90 Barley 57 (35). 2.ash Settlement) p/kg 90.5 90.5	New Sove TRADED Aluminium Strike price 1200 1200 1200 1200 1200 1250 2250 2250
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.90 Barley 87 (35).	New Sove TRADED Aluminium Strike price 1200 1200 1200 1200 1200 1250 2250 2250
114.50 114.40 117.50 117.85 121.00 124.00 148.70 109.60 113.60 113.50 119.50 122.60 Bariey 87 (35). 2. 2. 2. 2. 3. 3. 3. 4. 3. 4. 3. 4. 3. 4. 3. 5. 5. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6.	New Sove TRADED Alaminium Strike price 1200 1300 1400 Copper (Gi 2150 2250 2350 Colfee 500 600 Cocca 625
114.50 114.40 117.90 117.85 121.00 124.00 139.70 109.90 113.90 113.50 119.30 120.90 Barley 87 (35). Cash Settlement) p/kg High/Low 90.5 98.0 105.0	New Sove TRADED Aluminium Strike price 1200 1200 1200 1200 1200 1250 2250 2250
114.50 114.40 117.90 117.85 121.00 124.00 139.70 109.90 113.90 113.50 119.30 120.90 Barley 87 (35). Cash Settlement) p/kg High/Low 90.5 98.0 105.0	New Sove TRADED Aluminium Strike price 1200 1200 1400 Copper (Gi 2150 2250 2250 2350 Colfee 500 500 Coccea 650 675 Brent Crod
114.50 114.40 117.90 117.85 121.00 124.00 139.70 109.90 113.90 113.50 119.30 120.90 Barley 87 (35). Cash Settlement) p/kg High/Low 90.5 98.0 105.0	New Sove TRADED Aluminium Strike price 1200 1200 1400 Copper (Gi 2250 2250 2350 Collee 500 Cocca 650 675 675
114.50 114.40 117.90 117.85 121.00 124.00 1 High/Low 109.70 109.60 113.60 113.50 119.90 120.90 Barley 87 (35). 2. 2. 2. 2. 2. 3. 4. 4. 4. 4. 5. 6. 6. 6. 6. 6. 6. 6. 6. 6. 6	New Sove TRADED Aluminium Strike price 1200 1300 1400 Capper (Gi 2150 2250 2350 Collee 500 500 600 Cocca 825 650 675 Brent Crud
114.50 114.40 117.90 117.85 121.00 124.00 139.70 109.90 113.90 113.50 119.30 120.90 Barley 87 (35). Cash Settlement) p/kg High/Low 90.5 98.0 105.0	New Sove TRADED Aluminium Strike price 1200 1300 1400 Capper (Gi 2150 2250 2350 Collee 500 500 600 Cocca 825 650 675 Brent Crud

d shared			, pu	,,,,,,						,000 100
	055-7 072-3		1065-7 1074-5		1053 1075/1070		52-3 71-1_0	1072-3	27,5	55 lots
Closing T: 1.8802	2/3 rate	e 0	month	es: 1,86	89	0 п	onthe: 1.	5459	0 mor	oths: 1.6309
						Na	w Y	ork		
NDON B				ildì						
d (fine o				egulva	len!	GOLD	_ <u>-</u>	02.; \$/tray 0		
200		382.9		adaise			Close	Previous	High/Low	
ening		362.5				Aug	362,3	363.4	362.4	380.8
erning fix	362.30	)	2	14.656		Sep	364,2 366,1	365.3 367.1	363.5	383.5 364.0
emoon fb	x 361.35			14.200		Dec	388.6	370.8	370.0	367.D
y's high y's low		1-363.7 1-361.3				Feb	373.3	374.4	373.0	371,7
eo Lobo Mi					for 1700m	Apr	376.6 380.2	377.D 3361.3	375.1	375.0
				_	_ <u>-</u>	Jun Aug	383.8	384.9	ŏ	ŏ
nooth	5.4		0 1000		5.35	Oct	387.3	388.5	ŏ	ŏ
nonths nonths	5.4 5.4		12 mg	nuns	5.30			roy oz; \$/tro	V 62.	<del>-</del>
rer fiz	p/fine	_	U	S ets e	viup		Close	Previous	High/Low	
ot	240.20	_	4	04.75		Oct	362 9	367.5	363.5	358.5
nonths	240.75			10.70		Jan	367.3	372.0	368.0	364.5
nonths	253.15			17.10		Apr	271.3	376.0	371.0	368.5
months	265.90	1	4	30.20		Jul	375.2	379,9	0	0
LD ÇOB	_					Oct	383.2 367.0	387.9 387.5	379.0	379.0
ces supp		Engell	hard M	(otale)				oy oz; centi	<u> </u>	<del>-</del> -
	\$ pri	ice	2	equiv	eleni		Close	Previous	High/Low	
gemand		50-362		14.50-		Āug	404.1	406.0	401.0	401.D
ple leaf		50-370		19.00-4		Sep	406.5	406.5	407.0	401.5
w Soverel	ign 81-2	9-80-X		1.75-5	La	Dec	413.4	415.4	414.0	408.5
ADED O	TION*		_			Jen	414.0	418.9	9	0
	_					May	421 <u>.0</u> 428.1	423.1	424.0	418.5 422.5
minium (S	N.7%)	Ç	iliş.	F	etu-	Jul	436.8	423.5	429.5	422.5 429.5
ke price	\$ lonne	Sep	Dec	Sep	Dec	Sep	436.B	439.1	435.5	433.0
<u> </u>		84	123	3	12	Dec	445.8	447.9	444.0	442.5
0		18	<b>57</b>	36	44	HIGH (	RADE C	OPPER 25,0	000 lba; cen	ts/lbs
<del></del> _		2	20	118	105		Close	Previous	High/Low	
per (Gree		C				Aug	100.10	100.50	100.50	99.95
0		106	120	12	58	Sep	100,40	100.70	190.90	100.15
0 0		42 11	70 36	47 110	103 168	Oct	100.05	100.25	100.25	100.25
_			30	114	100	Nov Dec	98.78 89.50	100.00 99.75	0	Q 98.25
(mp		Sep	Nov	Sep	Nov	Jan	99,05	99.30	99.30	99.30
		7	63	19	5	Feb	98.55	96.80	0	<u> </u>
		-	78	62	20	Mar	95.15 97.44	98.45 97.95	96.40	97.95
			10	112	52	Apr May	97.66 97.15	97.95 97.45	0	0
204		Sep	Dec	Sep	Dec			ht) 42,000 L		<del>_</del>
		20		9			Latest	Previous	High/Low	
		12 =	56	20	20	<u></u>				21 10
	,	5	43	38	41	Sap Oct	21,40 21,39	21.55 21.26	21.50 21.45	21,16 · 21,11
nt Crode		\$ep	Oct	Sep	Oct	Nov	21.35	21.10	21.37	21.10
		<del></del>		<u> </u>		Dec	21.29	21.10	21,30	21.02
9				18	39	Jan	20.93	20.97	20.93	20.93
		322 11	-	35	<b>5</b> 6	Feb	20,94	20.84	20.93	20.78
0		11	36			Apr	20,82	20.59	20.82	20.60

Sep	Latest 5985	Previous 6972	High/Lor 6010	5940						
Sec	6290	6270	6300	6240	SOYA		900 bu min; e	cents/60% b	ushal	_ 7
an	6305	6295	6310	8200		Close	Previous	High/Low		
eb far	0175 5025	5900	6180 5925	6130 5875	Aug	575/2	582/0	583/D	571/4	
Dr.	5700	5680	5700	5655	Sep	580/0	586/2	587/4	577/4	
lay .	9535	5515	5585	5490	Nov	581/4	698/0	598/0	587/0	
					Jen Mer	600/6 610/4	607/2	607/4	588/0	
					May	619/0	617/0 625/0	617/4	609/0 016/0	
					Jul	623/0	659\0	629/0	621/0	
COCO	A 10 tons	nes;\$/tonne	4		SOYA	BEAN OIL	60,000 fba; (	cents/lb		-
	Close	Previous	High/Lox	-		Close	Previous	High/Low		-
Sep	1017	1027	1022	1606	Aug	20.78	21.44	21.20	20.75	
Dec Mar	1973 111 <b>8</b>	1083 1130	1078 1120	1084 1108	Sep	21.00	21.62	21.40	20.96	•
May	1145	1159	1150	1138	Dec	21.07 21.53	21.85 22.05	21.53	21.05	
Jul	1173	1188	1173	1161	Jan	21.68	22.12	21.94	21.50	,
Sep	1193	1218	1195	1188	Mar	21.97	22.48	22,35	21.68	,
Dec Mer	1235 1281	1251 1297	0	0	May Jul	22.21 22.55	22.70	22.60	22.21	٠.
May	1307	1323	ŏ	ŏ			22.81	22.05	22.50	
					BUTA	Close	AL 100 tons; Previous	#igh/Low		
					Aug	179,1	180.9	180.2		-
COFFE	EE "C" 37	,500lbs; ce	nts/fbs		Sep	178.5	180,2	180.5	177.8 177.8	
	Close	Previous	High/Los		- Oct	178.6	180.3	180.5	178.0	
					- Jan	179.7 179.6	181.1	181_0	178.5	
Sep Dec	82.10 85.75	82.10 85.50	82.70 88.10	81.30 84.85	Mar	181.6	181.7 183.5	181.5 182.0	179.0 180.0	
Mar	89.00	88.80	89.10	88.30	May	180.5	183.0	183.0	180.5	-
May	91,25	90.90	91.45	90.50	ᆀ	181.5	183.5	183.0	181.5	
Jui Sep	94.20	98.00	93.70 95.00	95.00 95.00	MAIZE		rain; cents/5	gp prepiel		,
Dec	97.00	98.75	0	0		Close	Previous	High/Low		*
					Sep	253/4	256/6	256/4	263/0	_
					Dec	259/2 265/2	282/2	262/0	258/0	
SINA.	R WOR	P "##" 112,0	noo ther co	oto/fibr	- May	20072	269/2 271/4	268/2	254/6	7
					- Jui	270/2	274/0	271/6 273/4	267/6	-4
	Close	Previous								
			High/Lo	W .	Sep	257/0	260/0	263/0	257.00	- 12
	9.30	9.28	9.42	9.20		257/0			257/0	r
Mar	8.78	9.28 8.70	9.42 6.81	9.20 5.68	Sep		280/0	263/0		
Mar May	8.78 2.79	9.28 8.70 8.78	9.42 6.61 6.62	9.20 5.68 6.73	Sep	T 5,000 bi	260/0 min; cente/	263/0		- [
Mar May Jul	8.78	9.28 8.70	9.42 6.81	9.20 8.68 8.73 8.79	Sep		280/0	263/0		- 1
Mar May Jul	8.76 2.79 8.80	9.28 8.70 2.78 8.80	9.42 8.81 8.82 8.80	9.20 5.68 6.73	WHEA Sep	T 5,000 bi Close 291/6	280/0 min; cents/( Previous 290/6	263/g 60th-bushel	257,10	- 1 - 1 - 1 - 1
Oct Mar May Jul Oct	8.76 2.79 8.80	9.28 8.70 2.78 8.80	9.42 8.81 8.82 8.80	9.20 8.68 8.73 8.79	WHEA Sep Dec	7 5,000 bi Close 291/6 306/0	260/0 I min; cente/( Previous 290/6 205/0	203/0 50fb-bushel High/Low 292/6 307/4		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Mar May Jul Oct	8.76 8.79 8.80 8.80	9.28 8.70 8.78 8.80 8.78	9.42 8.81 8.82 8.80	9.20 8.68 8.73 8.79	WHEA Sep Dec Mar	T 5,000 by Close 291/6 306/0 312/6	260/0 I min; cente/( Previous 290/6 305/0 011/6	263/0 50fb-bushel High/Low 292/6 307/4 313/4	257/0 287/4 301/0 308/0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Mar May Jul Oct	8.76 8.79 8.80 8.80	9.28 8.70 2.78 8.80 8.78	9.42 8.81 8.82 8.80 8.80	9.20 5.68 6.73 8.79 8.80	WHEA Sep Dec	7 5,000 bi Close 291/6 306/0	260/0 I min; cente/( Previous 290/6 205/0	203/0 50fb-bushel High/Low 292/6 307/4	257/4 301/0 308/0 304/0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Mar May Jul Oct	8.76 8.79 8.80 8.60 XN 50,000 Chose	9.28 8.70 2.78 8.80 8.76 ; cents/ibs	9.42 8.81 8.82 5.80 8.80	9.20 8.68 8.73 8.79 8.80	Sep WHEA Sep Dec Mar Mey Jul	7 5,000 by Close 291/6 306/0 312/6 308/0 303/4	260/0 Previous 290/6 305/0 011/8 309/0 303/6	263/0 50fb-bushel High/Low 292/6 307/4 313/4 310/0 305/4	257/0 287/4 301/0 308/0	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
Mar May Jul Oct	8.76 8.79 8.80 8.80	9.28 8.70 2.78 8.80 8.78	9.42 8.81 8.82 8.80 8.80	9.20 9.68 8.73 8.79 8.80	Sep WHEA Sep Dec Mar Mey Jul	7 5,000 by Close 291/6 306/0 312/6 308/0 303/4	250/0 min; cente// Previous 290/6 305/0 011/5 308/0	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/fbs	257/4 301/0 308/0 304/0	1 - 2 - 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
Mar May Jul Cot COTTO	8.76 2.79 8.80 8.80 Cicee 68.44 68.98 70.45	9.28 8.70 8.78 8.80 8.76 Frevious 69.91 70.82 71.60	9.42 8.61 8.62 5.50 8.80 High/Los 68.50 68.00 70.45	9.20 9.66 8.73 8.79 8.80 67.75 68.25 99.80	Sep WHEA Sep Dec Mar Mey Jul	7 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 40	260/0 min; cente// Previous 280/6 305/0 011/8 308/0 303/6 0,000 lbs; cent	263/0 Flight.cow 292/6 307/4 313/4 313/4 315/4 Hight.cow	257/0 257/4 301/0 305/0 501/6	この ながま 一大
Mar May Jul Oct COTTO Cot Dec Mar May	8.76 8.79 8.80 8.80 Close 68.44 68.96 70.45 71.00	9.28 8.70 8.78 8.80 8.78 Previous 69.91 70.62 71.60 68.45	9.42 8.81 8.82 8.80 8.80 High/Lon 68.50 69.00 70.45 71.90	9.20 5.68 8.73 8.79 8.80 77.75 68.25 99.80 70.80	Sep  Sep Dec Mar Mey Jul Live C	7 5,000 by Close 291/6 306/0 312/6 309/4 303/4 ATTLE 40 Close 70.82 73.10	280/0 I min; cente/ Previous 280/6 305/0 011/8 309/0 303/6 ,000 bts; cent Previous 77.35	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/fbs	267/0 287/4 301/0 306/0 304/0 501/6	1 - 2 - 2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
Mar May Jul Oct COTTO Cot Cot Mar Mar Mar Mar	8.76 8.79 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70	9.28 8.70 2.78 8.80 8.76 Previous 69.91 70.62 71.50 67.85	2.42 8.81 8.82 8.80 8.80 8.80 68.50 68.00 70.45 71.50 71.78	9.20 5.68 8.73 8.79 8.80 67.75 68.25 98.80 79.50 71.20	Sep Dec Mar Mey Jul LIVE C	7 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 40 Close 70,62 73,10 75,22	260/0  min; cente// Previous 290/6 305/0 011/8 309/0 303/6 303/6 ,000 lbs; center/ Previous 71.35 73.80 75.96	263/0 High/Low 292/6 307/4 313/4 313/0 305/4 ts/fbs High/Low 71.30 : 75.80 :	257/0 257/4 301/0 308/0 304/0 501/6 70.55 73.05	この ながま 一大
Mar May Jul Oct COTTO Cat Cat Cat Mar May Nul	8.76 8.79 8.80 8.80 Close 68.44 68.96 70.45 71.00	9.28 8.70 8.78 8.80 8.78 Previous 69.91 70.62 71.60 68.45	9.42 8.81 8.82 8.80 8.80 High/Lon 68.50 69.00 70.45 71.90	9.20 5.68 8.73 8.79 8.80 77.75 68.25 99.80 70.80	Sep Dec Mar Mey Jul Live C	T 5,000 by Close 29/16 305/0 312/6 308/0 303/4 ATTLE 40 Close 70,62 73,10 75,52	260/0 I min; cente// Previous 290/6 905/0 011/8 309/0 303/6 ,000 lbs; cen Previous 71.85 73.80 75.96	263/0 High/Low 292/6 307/4 313/4 313/4 313/4 305/4 ts/fbs High/Low 71.30 75.80 75.80	267/0 287/4 301/0 306/0 304/0 501/6	この ながま 一大
Mar May Jul Oct COTTO Cat Cat Cat Mar May Nul	8.76 8.79 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70	9.28 8.70 2.78 8.80 8.76 Previous 69.91 70.62 71.50 67.85	2.42 8.81 8.82 8.80 8.80 8.80 68.50 68.00 70.45 71.50 71.78	9.20 5.68 8.73 8.79 8.80 67.75 68.25 98.80 79.50 71.20	Sep Dec Mar Mey Jul LIVE C	T 5,000 by Close 291/6 305/0 312/6 309/0 303/4 ATTLE 40 Close 70,62 73,10 75,22 75,65	280/0 I min; cente/ Previous 280/6 905/0 011/8 309/0 303/6 .000 bis; cent Previous 77.35 75.96 75.96 75.75	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/fbs High/Low 71-30 75.80 75.80 75.17	267/0 287/4 301/0 308/0 501/6 70.56 73.05 75.05 74.85 78.20	この ながま 一大
Mar May Jul Oct Oct Aur Aur Aur Jul	8.76 8.79 8.80 8.80 Close 68.44 68.96 71.70 68.75	9.28 8.70 8.80 8.78 5.78 70.00 68.91 70.62 71.50 68.45 87.95 9	9.42 8.81 8.82 8.80 8.80 8.80 9.00 70.45 71.78 0	9.20 5.68 8.73 8.79 6.60 67.75 68.26 70.50 71.20 0	Sep Dec Mar Mer Jul Live C	T 5,000 by Close 29/16 305/0 312/6 308/0 303/4 ATTLE 40 Close 70,62 73,10 75,52	260/0 I min; cente// Previous 290/6 905/0 011/8 309/0 303/6 ,000 lbs; cen Previous 71.85 73.80 75.96	263/0 High/Low 292/6 307/4 313/4 313/4 313/4 305/4 ts/fbs High/Low 71.30 75.80 75.80	267/0 287/4 301/0 308/0 501/6 70.56 73.05 73.05 73.05 74.85	この ながま 一大
Mar May Jul Oct Cot Cot Cot Mar Mar May Muf Act	8.76 8.79 8.80 8.80 Close 68.44 68.90 71.70 68.75	9.28 8.70 2.78 8.80 8.78 ; centerlibs Previous 69.91 70.82 71.50 68.45 Q	9.42 8.81 8.82 8.80 8.80 88.00 70.45 71.78 0	9.20 8.66 8.73 8.79 8.80 9.80 97.75 68.25 99.80 70.60 71.20	Sep Dec Mar Mey Jul LIVE C	T 5,000 by Close 291/6 308/0 312/6 308/0 313/4 ATTLE 40 Close 70,82 75,02 75,52 75,56 73,80	260/0  I min; cente/ Previous 290/6 305/0 011/8 308/0 303/6 .000 lbs; cent Previous 77.36 73.80 75.96 75.75 73.82	263/0 High/Low 292/6 307/4 313/4 319/0 305/4 ts/fbs High/Low 77.30 75.60 75.17 73.85	267/0 287/4 301/0 308/0 501/6 70.56 73.05 75.05 74.85 78.20	この ながま 一大
Mary May Jul Oct	8.76 8.80 8.80 8.60 Close 88.44 68.96 70.45 71.70 68.75	9.28 8.70 3.78 8.80 8.78 5; centerlibs Previous 69.91 70.82 71.50 68.45 9	9.42 8.81 8.82 8.80 8.80 88.00 70.45 71.00 71.78 0	9.20 8.66 8.73 8.79 8.80 9.80 9.80 70.60 71.20 0	Sep Dec Mar Mey Jul LIVE C	T 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 4( Close 70.82 73.10 75.22 75.95 73.80	280/0  I min; cente/ Previous 290/6 305/0 011/8 309/0 303/6 300/6 300/6 Previous 71.36 75.96 75.96 75.75 73.82	263/0 High/Low 282/6 307/4 313/4 310/0 305/4 ts/fibs High/Low 71.30 75.80 75.80 75.87 75.72	267/0 287/4 301/0 308/0 501/6 70.56 73.05 75.05 74.85 78.20	大二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十
Mar May Jul Oct COTTO	8.76 8.79 8.80 8.80 Close 68.44 68.90 71.70 68.75	9.28 8.70 8.80 8.76 8.76 9.91 70.62 71.50 68.45 97.95 9	9.42 8.81 8.82 8.80 8.80 8.80 8.80 68.90 70.45 71.78 0	9.20 8.68 8.73 8.79 8.80 57.75 68.25 69.80 70.60 71.20 0	Sep WHEA Sep Dec Mar Mey Jul LIVE C Aug Oct Dec Feb Apr Jun	T 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 4( Close 70.82 73.10 75.22 75.95 73.80  Close Odes 30.0  Close	280/0  I min; cente/ Previous 290/6 305/0 011/8 309/0 309/0 309/0 309/0 309/6 ,000 bis; cen Previous 71.35 75.96 75.96 75.95 75.92  Previous	263/0 High/Low 282/6 307/4 313/4 313/4 316/0 305/4 ts/fibs High/Low 71.30 75.80 75.80 75.80 75.80 75.80 75.80 75.80	267/0 287/4 301/0 308/0 501/6 70.56 73.05 75.05 74.85 78.20	大五十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二
Mar May Jul Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	8.76 8.76 8.80 8.80 Close 68.44 68.44 68.70 71.70 68.75 GE JUICI	9.28 8.70 2.78 8.80 8.78 5; centerlibs Previous 69.91 70.82 71.50 68.45 9	9.42 8.81 8.82 8.80 8.80 88.00 70.45 71.00 71.78 0	9.20 8.46 8.73 8.79 8.80 67.75 68.25 98.80 71.20 0	Sep Dec Mar Mey Jul LIVE C	7 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 40 Close 70.82 75.92 75.92 75.92 75.96 63.75	280/0 I min; cente/ Previous 280/6 305/0 011/8 308/0 303/6 .000 lbs; cent Previous 77.86 75.96 75.95 75.75 73.82  Previous 53.57	263/0 High/Low 282/6 307/4 313/4 316/0 305/4 18/0 75.80 75.80 75.80 75.77 75.72 73.85	287/4 301/0 308/0 308/0 501/5 70.55 73.05 75.10 74.85 75.20 73.45	大二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十
Mary May Jul Oct COTTO Cot Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	8.76 8.76 8.80 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70 68.75 Close 118.20 117.20 117.20 117.20	9.28 8.70 8.80 8.70 8.80 8.71 70.62 71.50 68.45 97.95 0 119.65 118.80 117.55 118.43	2.42 8.81 8.82 8.80 8.80 8.80 71.90 98.00 70.45 71.78 0	9.20 8.68 8.73 8.79 8.80 57.75 68.25 69.80 70.60 71.20 0	Sep  WHEA  Sep Dec Mar Mey Jul  LIVE C  Aug Oct Dec Feb Apr Jun  LIVE H	T 5,000 by Close 291/6 306/0 312/6 308/0 303/4 ATTLE 4( Close 70.82 73.10 75.22 75.95 73.80  Close Odes 30.0  Close	260/0  min; cente// Previous 290/6 305/0 011/8 309/0 303/6 303/6 309/0 37.35 73.80 75.95 75.95 75.75 73.82  Do Ro; cente// Previous 53.57 44.65	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/fbs High/Low 73.80 75.80 75.80 75.72 73.85	287/4 287/4 301/0 304/0 501/6 70.56 73.05 73.10 74.85 75.20 73.45	人名 人名英格兰人姓氏克里的变体 人名英格
Mary May Jul Oct COTTO Cot Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	8.76 8.80 8.80 8.80 Close 88.44 68.96 70.45 71.70 68.75 GE JUIC Close 118.20 117.20	9.28 8.70 2.78 8.80 8.78 Frevious 69.91 70.82 71.50 68.45 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	2.42 8.81 8.82 8.80 8.80 88.00 70.45 71.00 71.70 9 120.35 119.80	9.20 8.66 8.73 8.79 8.80 68.25 99.80 70.60 71.20 0	Sep Dec Feb LIVE O	7 5,000 by Close 291/6 305/0 312/6 308/0 303/4 ATTLE 40 Close 70.82 75.52 75.52 75.62 75.62 75.62 45.05 45.05 45.05	280/0 I min; cente/ Previous 280/6 305/0 011/8 308/0 303/6 .000 lbs; cent Previous 77.86 75.96 75.95 75.75 73.82  Previous 53.57	263/0 High/Low 282/6 307/4 313/4 310/0 305/4 65/60 Figh/Low 71.30 75.80 75.80 75.80 75.80 75.80 75.80 75.80 75.80	267/0 267/4 301/0 304/0 304/0 501/6 70.56 73.05 75.10 74.85 76.20 73.45	人名 人名英格兰人姓氏克里的变体 人名英格
Mary May Jul Oct COTTO Cot Oct Oct Oct Oct Oct Oct Oct Oct Oct Oc	8.76 8.76 8.80 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70 68.75 Close 118.20 117.20 117.20 117.20	9.28 8.70 8.80 8.70 8.80 8.71 70.62 71.50 68.45 97.95 0 119.65 118.80 117.55 118.43	9.42 8.81 8.82 8.50 8.50 8.50 68.50 69.00 70.45 71.90 71.78 0 19gh/Low 120.35 119.80 118.50	9.20 8.66 8.73 8.79 8.80 67.75 68.25 69.80 70.60 71.20 0	Sep  WHEA  Sep Dec Mar Mey Jul LINE C  Cot Dec Apr Jun  Aug Oct Dec Feb Apr	7 5,000 by Close 291/6 305/0 312/6 305/0 303/4 ATTLE 40 Close 70.82 73.10 Close 53.75.95 63.75 45.27 45.05 45.27 45.05 45.25	280/0  I min; cents// Previous 290/6 305/0 011/8 309/0 303/6 ,000 lbs; cen 71.35 73.80 75.95 75.75 73.82  Previous 53.57 44.65 44.75 45.00 43.12	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/Re High/Low 73.80 75.80 75.80 75.72 73.85 High/Low 83.80 45.25 46.22 46.22	287/4 301/0 308/0 308/0 501/8 70.55 73.05 73.05 75.10 74.85 75.20 73.45 44.65 44.65 44.65	人名 人名英格兰人姓氏克里的变体 人名英格
Mary May Juli Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	8.76 8.76 8.80 8.80 8.80 Close 68.44 68.96 70.45 71.90 71.70 68.75 GE JUICI Close 118.20 117.30 117.30 118.10	9.28 8.70 8.80 8.70 8.80 8.71 70.62 71.50 68.45 97.95 0 119.65 118.80 117.55 118.43	9.42 8.81 8.82 8.50 8.50 8.50 68.50 69.00 70.45 71.90 71.78 0 19gh/Low 120.35 119.80 118.50	9.20 8.66 8.73 8.79 8.80 67.75 68.25 69.80 70.60 71.20 0	Sep  WHEA  Sep Dec Mar Mey Jul  LIVE C  Cot Dec Feb Apr Jun  Aug Oct Dec Feb Apr Jun	7 5,000 by Close 291/6 306/0 303/4 3	280/0 I min; cente/ Previous 290/6 305/0 011/8 309/0 309/0 303/6 ,000 lbs; cente/ 71.86 75.96 75.96 75.95 75.75 73.92  D0 Rb; cente/9 Previous 53.57 44.73 45.00 43.12 47.50	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 65/60 High/Low 71.30 75.80 75.80 75.80 75.72 73.85 High/Low 83.80 45.50	267/0 267/4 301/0 304/0 304/0 501/6 70.56 73.05 75.10 74.85 76.20 73.45	人名 人名英格兰人姓氏克里的变体 人名英格
Mary May Juli Oct Oct Oct Oct Oct Oct Oct Oct Oct Oct	8.76 8.76 8.80 8.80 8.80 Close 68.96 70.45 71.70 68.75 68.75 68.75 118.20 117.30 118.20 112.05	9.28 8.70 2.78 8.80 8.78 Frevious 69.91 70.62 71.80 68.45 0 9.70 119.85 118.85 118.85 118.85 118.85 118.90	2.42 8.81 8.82 8.80 8.80 88.80 71.90 98.00 71.90 99.00 171.78 0	9.20 8.66 8.73 8.79 8.80 67.75 68.25 69.80 71.80 71.80 118.20 117.30 118.50 0	Sep  WHEA  Sep Dec Mar Mey Jul LINE C  Cot Dec Apr Jun  Aug Oct Dec Feb Apr	7 5,000 by Close 291/6 305/0 312/6 305/0 303/4 ATTLE 40 Close 70.82 73.10 Close 53.75.95 63.75 45.27 45.05 45.27 45.05 45.25	260/0  I min; cente/ Previous 290/6 305/0 011/8 308/0 303/6 .000 lbs; cent Previous 77.36 73.80 75.96 75.75 73.82  00 fb; centa/9 Previous 53.57 44.65 44.75 44.75 44.75 44.75	263/0 High/Low 292/6 307/4 313/4 310/0 305/4 ts/fbs High/Low 73.80 75.80 75.80 75.72 73.85 High/Low 45.50 45.22 45.22 45.22 45.22 45.22 45.22 45.22 45.22 45.22 45.22	257/4 301/0 304/0 501/5 70.56 73.06 73.06 73.07 74.85 75.40 74.85 44.65 44.65 44.65	大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大
Mary May Juli Oct COTTO Cot Cot Cot Cot Cot Cot Cot Cot Cot Cot	8.76 8.76 8.80 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70 68.75 Close 118.20 117.30 112.10 112.05	9.28 8.70 8.78 8.80 8.76 70.82 71.50 68.45 67.85 0 E 15,000 Upe Previous 119.85 118.45 118.45 119.30	9.42 8.81 8.82 8.50 8.50 8.50 70.45 71.00 71.78 0 119.00 119.20 118.20 118.50 0	9.20 8.68 8.73 8.79 8.80 67.75 68.25 69.80 70.60 71.20 0	Sep Dec Feb Apr Jul  LIVE Dec Feb Apr Jul	7 5,000 by Close 291/6 305/0 312/6 305/0 303/4 ATTLE 40 Close 70.82 75.52 75.52 75.55 45.27 45.05 45.10 43.26 47.70	280/0  I min; cents// Previous 280/6 305/0 011/8 308/0 303/6 .000 lbs; cent Previous 77.85 73.80 75.95 75.75 73.82  Previous 53.57 44.65 44.75 46.00 43.12 47.65	263/0 High/Low 282/6 307/4 313/4 315/4 315/4 315/4 315/4 305/4 15/50 75.80 75.80 75.80 75.77 75.72 73.85 16/50 45.25 45.25 45.25 45.25 45.25	267/0 267/4 301/0 304/0 304/0 501/6 70.56 73.05 73.10 74.65 75.10 74.65 44.70 44.70 44.70 44.70 44.70 44.70	人名 人名英格兰人姓氏克里的变体 人名英格
Mary May Juli Oct COTTO Cot Cot Cot Cot Cot Cot Cot Cot Cot Cot	8.76 8.80 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70 68.75 GE JUICI Close 118.20 118.20 118.20 118.20 118.20 118.20 118.20	9.28 8.70 8.78 8.80 8.76 70.82 71.50 68.45 67.85 0 8.91 71.50 9.82 118.65 118.45 118.45 119.30	8.42 8.81 8.82 8.50 8.50 8.50 8.50 70.45 71.00 71.78 0 119.00 119.20 118.20 118.20 0	9.20 8.66 8.73 8.79 8.80 67.75 68.25 69.80 70.50 71.20 0	Sep Dec Feb Apr Jul  LIVE Dec Feb Apr Jul	7 5,000 by Close 291/6 305/0 312/6 305/0 312/6 303/4 ATTLE 40 Close 70.82 73.10 75.22 75.02 75.02 75.02 75.02 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27	280/0  I min; cente/ Previous 280/6 200/6 201/8 309/0 303/6 .000 lbs; cente/9 77.35 73.36 75.96 75.95 75.75 73.32  Previous 53.57 44.65 44.75 45.00 47.65	263/0 263/0 High/Low 282/6 307/4 318/0 305/4 318/0 305/4 18/80 75.80 75.80 75.80 75.77 75.72 73.85	267/A 287/A 301/O 304/O 304/O 501/6 70.56 73.05 73.10 74.85 78.20 73.45 74.65 44.65 44.70 44.70 44.70 47.46 47.46	大五十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二
Mary Mary Mary Mary Mary Mary Mary Mary	8.76 8.76 8.80 8.80 Close 68.96 68.96 68.96 70.45 71.70 68.75 68.75 68.75 118.20 118.2	9.28 8.70 2.78 8.80 8.78 Frevious 69.91 70.62 71.80 68.78 0 119.85 118.85 118.85 118.85 119.30	2.42 8.81 8.82 8.80 8.80 8.80 71.90 71.90 71.78 0 120.36 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80 119.80	9.20 8.66 8.73 8.79 8.80 67.75 68.25 69.80 70.60 71.20 0 119.05 118.20 117.30 116.50 0	Sep WHEA Sep Dec Mar Mey Jul LIVE G Oct Dec Feb Apr Jun Jul PORE I	7 5,000 by Close 291/6 305/0 312/6 305/0 312/6 303/4 ATTLE 40 Close 70.82 75.02 75.02 75.02 75.05 75.80 Close 63.75 45.10 41.25 47.70 Close 67.70 Close	280/0  I min; cente/ Previous 290/6 205/0 001/8 309/0 309/0 309/0 309/0 309/0 309/0 309/0 309/0 77.38 77.38 75.96 75.96 75.96 75.95 75.75 73.92  DO Ro; cente/9 Previous 53.57 44.73 45.00 47.85	263/0 263/0 High/Low 292/6 307/4 313/4 310/0 305/4 45/6 45/6 75.80 75.80 75.80 75.80 75.80 75.80 75.80 75.70 75.72 73.85	287/4 301/0 304/0 501/6 70.56 73.05 73.10 73.45 73.45 73.45 44.65 44.70 42.96 47.50	八十二十八十八十八十八十八十八十八八十八十八八十八八十八八十八八十八八十八八十八
Mary Juli Oct COTTO Cot COTTO Cot COTTO Cot	8.76 8.70 8.80 8.80 Close 68.44 68.96 70.45 71.00 71.70 68.75 GE JUICI Close 118.20 11	9.28 8.70 8.80 8.70 8.80 8.70 70.82 71.80 68.45 67.85 0 87.85 118.85 118.45 118.45 119.30 88.71 118.45 119.30	2.42 8.81 8.82 8.50 8.50 8.50 8.50 8.50 70.45 71.00 71.78 0 120.36 119.80 118.50 0 118.50 0 1745.8 31 1874 =	9.20 8.68 8.73 8.79 8.80 67.75 68.25 69.80 70.60 71.20 0 119.05 118.20 0 117.30 118.30 0	Sep WHEA Sep Dec Mar Mey Jul LIVE C Cot Dec Feb Aug Oct Dec Feb Apr Jun Jul Aug Feb	7 5,000 by Close 291/6 305/0 312/6 305/0 312/6 303/4 ATTLE 40 Close 70.82 73.10 75.22 75.02 75.02 75.02 75.02 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27 45.27	280/0  I min; cents// Previous 280/6 305/0 011/8 308/0 303/6 .000 lbs; cen Previous 77.35 73.80 75.95 75.75 73.82  Previous 83.57 44.65 44.75 48.00 43.12 47.65 47.65	263/0 20th-bushel High/Low 202/6 307/4 313/6 45/20 45/20 45/20 45/20 45/40 45/40	287/4 287/4 301/0 304/0 504/0 501/6 70.56 73.05 73.10 74.85 78.20 74.85 44.65 44.76 44.76 44.76 47.46 47.46	大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大
Mary Mary Jul Oct COTTO Oct Sec Aur Aur Mary Mar	8.76 8.76 8.80 8.80 Close 68.96 70.45 71.70 68.75 68.7	9.28 8.70 8.78 8.80 8.70 70.62 71.50 68.45 67.85 0 8.91 71.50 118.65 118.45 118.30 118.65 118.45 119.30 117.55 118.45 119.30	2.42 8.81 8.82 8.80 8.80 8.80 8.80 8.80 8.80 8.80	9.20 8.66 8.73 8.79 8.80 67.75 68.25 68.80 70.50 71.20 0 118.25 117.20 118.50 0 1 18.50 0 1 79.22 1 100) 0 yr 400 1 797.2 1 100)	Sep  WHEA  Sep Dec Mar Mey Jul  LIVE C  Dec Feb Apr Jun  Aug Oct Feb Apr Jun  Feb Apr	7 5,000 by Close 291/6 305/0 312/6 305/0 312/6 305/0 303/4 ATTLE 40 Close 70.82 75.52 75.55 75.80 Close 63.75 45.27 46.10 42.26 47.70 MELL #85 47.70 Close 43.15 01.05 50.05	280/0 I min; cente/ Previous 280/6 305/0 011/8 309/0 309/0 303/6 .000 lbs; cente/ 71.35 75.36 75.96 75.96 75.75 73.92  Previous 53.57 44.65 44.75 45.00 47.65 47.60 47.65 Previous 44.80 60.32 60.10	263/0 263/0 High/Low High/Low 305/4 313/4 310/0 305/4 45/60 High/Low 71.30 75.80 75.80 75.80 75.80 75.80 75.80 45.20 45.20 45.20 45.20 45.20 45.20 45.20 45.40	267/A 267/A 301/O 304/O 304/O 501/6 70.56 73.05 73.10 74.85 75.10 74.85 44.65 44.70 44.70 44.70 47.48 47.48 47.48 47.50	大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大大
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Mary Jul Oct COTTO Cot	8.76 8.76 8.80 8.80 Close 68.96 70.45 71.70 68.75 68.7	9.28 8.70 2.78 8.80 8.78 8.80 8.78 Frevious 69.91 70.82 71.80 68.45 67.85 0  E 15,000 lips Previous 119.85 118.43 119.30 117.55 118.43 119.30 1721.6 5asse: Dec. 19 121.27	2.42 8.81 8.82 8.80 8.80 8.80 8.80 8.80 8.80 8.80	9.20 8.66 8.73 8.79 8.80 67.75 68.25 68.80 70.50 71.20 0 118.25 117.20 118.50 0 1 18.50 0 1 79.22 1 100) 0 yr 400 1 797.2 1 100)	Sep  WHEA  Sep Dec Mar Mey Jul  LIVE C  Dec Feb Apr Jun  Aug Oct Feb Apr Jun  Feb Apr	7 5,000 by Close 291/6 305/0 312/6 305/0 312/6 305/0 303/4 ATTLE 40 Close 70.82 75.52 75.55 75.80 Close 63.75 45.27 46.10 42.26 47.70 MELL #85 47.70 Close 43.15 01.05 50.05	280/0 I min; cente/ Previous 280/6 305/0 011/8 309/0 309/0 303/6 .000 lbs; cente/ 71.35 75.36 75.96 75.96 75.75 73.92  Previous 53.57 44.65 44.75 45.00 47.65 47.60 47.65 Previous 44.80 60.32 60.10	263/0 263/0 High/Low High/Low 171.30 75.80 75.80 75.80 75.87 73.85 High/Low 45.22 43.36 47.75 47.70 High/Low 182.22 43.36 47.75 47.70 High/Low 182.22 43.36 52.20 52.20 52.20	287/4 301/0 308/0 308/0 308/0 308/0 308/0 501/6 70.56 73.05 73.10 73.45 73.45 73.45 44.65 44.70 42.86 47.46	八五十二八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八八





FINANCIAL TIMES STOCK INDICES July 25

Aug 29

Aug 30

- Sep 9

#### LONDON STOCK EXCHANGE

# FI-SE unable to hold above 2,600

By Tara Mitsend, UK Stock Market Editor

ANOTHER Street for move convincingly to leber ground was halted and when traders caught to the regulator; authority to the water indexty, would take e strong for today on the dividend and manning policies of the records privatised water companie. Earlier, aguities had stooday well to a discouraging surrey of business opinion by the Confideration of British finastra The late set back wasioficated, however, by US demand for London blue chips a wall Street made e strong sirt to the new session.

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strong sirt to the new session.
The fial reading put the FFSE ldex at another new high of 1,595.6, but only just; the earl suit of the earl gain of nine points had bee whittled away to a mere 0.1 in late trading as the

the hints that Ofwat would expect the industry to operate with a lower rate of dividend growth and a higher propor-Equities were clearly in a more cautious mood yesterday in the wake of Monday's unex-

Account Dealing Dates

Aug 9

Aug 16

Developments of a loss ahead. tional investors unawares and inspired further losses in the building sector yesterday, although Barratt shares steadied with the help of a recom-mendation from the company's brokers. Across the range of the mar-

ket, share prices opened lower as the CBI report that business confidence was still falling cast e cloud over the revival of optimism for a bottoming-out of recessionary pressures. The Footsie Index receded by 4.7 points, until the mood was changed by another strong opening in the stock index

Backed up also by a modest buying programme, chare prices climbed, and the gain of nine points took the index to 2,604, its second foray above the 2,600 testing point which is still the year-end forecast of several leading securities

However, genuine investment demand for equities was no more than moderate and share prices began to drift off their best levels. The firm opening on Wall Street unfor-tunately clashed with the first hints in the London market of the impending Ofwat report, of which there was no confirmation yesterday.

The nervous mood opened the way for a cluster of sudden bear movements mostly in the second line issues, pushing the Footsie index into negative territory again very briefly. In very late deals, however, the market steadled as the Dow Industrial Average gained 20 points to exceed the 3,000 mark in early trading. Traders reported some determined buy-ing of US-orientated blue chips

Seaq volume increased towards the close to give a final total for the day of 507.9m shares compared with 529.4m on Monday. Traders believed that customer, or retail activity in London equities had yes-terday fallen somewhat from the fibn recorded for Monday's sion. Retail business, the session. Retail Dustiers, and life blood of the securities industry, has proved erratic over recent weeks, but the 21bn daily figure regarded as the minimum for a profitable market was exceeded twice last

Among stocks to remain firm et the close were, in addi-tion to such US orientated sectors as the pharmacenticals, the domestic store groups which reflect optimism over

1170.50 1167.37 1168.61 1171.12 COcd. Div. Yield OEarning Yid %(full)
OP/E Ratio(Not)(fr) 8 07 15.31 8.13 15.21 8.33 14.76 10.98 11.06 8.09 15.28 £ 14 15 78 SEAO Bargra 4.45pm Equity Turnover(Em)1 32,474 1036,38 35,589 428.9 Day's High 2020 1 Day's Low 2007.8 Open 9 am 10 am 11 am 2012.7 2009.4 2012.1 2019.6 11 ani 12 pm 2017.9 2 pm 3 pm 4 pm 2017.5 2014.8 2009.7 FT-SE 180. Hourly changes Day's High 2694 0 Day's Low 2590.3 1 pm 2 pm 3 pm 4 pm 2502.3 FT-SE Ecrotrack 200, Hourly changes Day's High 1174.30 Day's Low 1171.71 10 am 11 am 12 pm 1 pm 2 pm 3 pm 1171.84 1173.81 1173.89 1173.06 1173.45 1173.00 consumer spending trends. TRADING VOLUME IN MAJOR STOCKS

127.4 (9/1/35) 127.0 2054.8 (16/1) (16/1) (5/6/81) Basin 100 Bevt. Seco 15/10/26, Peopl Int. 1828, Onl 1/7/35, Basid animon 12/9/35, Septe 1000 FT-SE 700 6 FT-SE Eurotrack 200 28/10/30. \$2 MI 14.63 Indices\* July 29 July 26 Bargains 5-Day average "SE Activity 1974. †Excluding Intra-marke London report and latest Share index. Tel. 0898 123001

## Seback in water issues

WATR SHARES fell sharply in hevy volume just before Farmers and section as a banding together as a lane of configuration as a l the onse of trade as suggestionsspread through the market tat Ofwat, the regulatory body for the industry, would attempt to control dividend

growth. Fars that Ofwat's attention word turn from the expected prie formula based on the retil prices index left Severn Tret, for example, 18 lower at on point. But the share price fals drew in buyers as analys and salesmen argued that ne mechanism existed for

disct control of dividends. evern Trent ended just 6 den on balance at 332p, while Tames rallied from a day's ly of 373p to end at 381p for e rt decline of 6. Trading activwhich had been low for xist of the session, ballooned i the last hour of trade, with evern Trent volume totalling n shares on the day.

The impact of Barratt Devel-

#### **Builders suffer**

opments' warning that it would be unable to pay a final dividend continued to reverberate around the building and construction sector, with some termines are expected of the leaders marked lower. Internationa Any company where there are worries that there may be insufficient earnings to cover and the forecast in dividend payments came under pressure. This included Cos-tain, down 7 at 139p, Crest Nic-: 32 TWC officials unter reports Benies holson, 10 weaker at 39p, Higgs & Hill, off 7 at 243p, and 

McAlpine, 5 cheaper at 245p.
Building companies which
are considered to be on a the Sorte to Sorte the Sorte to sounder financial footing moved aheed, with Taylor Woodrow improving 5 to 228p. There was active two-way trading in Barratt as some

institutional holders continued to reduce their holdings. But e buy recommendation from County NatWest weighed more heavily in the balance and the stock closed 4 higher at 38p on turnover of 17m. Trafalgar House, which tends to receive around a quar-

ter of its turnover from its ideal Homes housebuilding subsidiary, fell 8 to 217p.

#### Activity in oils Shares in Enterprise and

Ultramar moved in opposite directions as analysts at Hoare Govett chose to differ from their rivals at other securities

move sharply higher during the autumn. County NatWest, for example, predicted yester-day that falling Soviet oil pro-duction would add to the strength of the crude price. It raised its forecast for 1991 Brent crude everage by \$1 to

"below \$20", argues that Iraq will eventually be allowed to export some oil and that widerise were encouraging e build-up of stocks which would in turn smooth ont the

the whole of the oil sector. Its only buy recommendation is Ultramar, which the hroker described as "severely oversold". Although the company was losing money this year, this was largely attributable to etock losses, "On 1992 cash flows the shares are looking cheap," Hoere said. Ultramar firmed 4 to 274p while Enterprise gave up 5 to 528p and Lasmo slipped 12 to 339p.

US buyers helped Glaxo to produce one of the best performance of the day in the ET.ST.

mances of the day in the FT-SE 100. Traders said the stock continued to benefit from a preliminary announcement in its favour in e patent dispute with SmithKline Beecham. Glaxo climbed 24 to 1279p, while SmithKline firmed 3 to 815p ahead of interim results today.

One of the most highly rated stocks in the market, drug company Medeva, pushed further shead on news of a recom-mendation from a US broker. The shares, which rose 8 to 171p, are trading at a yield of

continued to benefit from Mon-

honees hy predicting that crude oil prices would not

\$20 a barrel. Hoare, whose 1991 figure is

Hoare downgraded almost

less than 0.6 per cent.

Midland Bank was the only

strong stock in the sector as it

day's announcement that it was in talks with Allied Dunbar, the life assurance and unit-trust eubsidiary of BAT Industries. The shares rose 4 to 212p on heavy turnover of 7m. **NEW HIGHS AND LOWS FOR 1991** 

NRW (90HS (91),
SRITISH FUNDS (9) Fdg. 3½ pc 1998-04,
Criv Spc 2011 A, Treas. Zpc B. 1992, Treas.
Zpc B. 1994, AMERICANE (2) Houston Inde.
Rep NY, Unikeb, STORES (8) Coats Viyelle,
Devois, Ers. Fine Art Devis, Martin (4),
Reject Shop, Sharwood, Stirting,
ELECTRICALS (7) Bennet & Fountair, (Skick,
Dalla, Donnino Printino, Musitione, Reel
Time Corton, There Etel, EMOSEMENTAIR
(6) Fairey, HSI & Smith, Masgolt, Rotoris,
FOODS (8) Janson, Shr., Foods, Cranswick
Mill, Dalepak, Northern Foods, Sabresen
(Ch), Shoprits, Sims, Tate & Lyke,
ROUBETRIALS (30) Assoc. Briz, Poots, SET,
ESS, BITA, Srit, Polymen, De La Ries,
Nobelstrials, Sim Assoc. Sett. Poots, SET,
SSS, SIR, Srit, Polymen, De La Ries,
Na E, Kalon, Johnson, Cauter, Medeva,
Palerson Zochonia, Relyon, Slebe,
Silenthight, TT, Tomdre (FH), De, 6.8pc
Pri., Worthington (A.), PAPETS (2)
Clocation, Victoria Carpeta, TRANSPORT
(1) CSC, TRUSTE (13) Alliance Tst., American
Tus, S. Frider III, Silvers, American
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Capital, JF Fidg. Wyrata, Keystons Investora

BAT cased a penny to 741p.
Barclays Bank lost 3 to 477p
after UBS Phillips & Drew sted that the chares had

tors should consider taking profits. Mr Peter Toeman of UBS said the half-year results dne tomorrow - were unlikely to be as positive as those from Lloyds last week, and any good news was already in the price. Lloyds, which had picked up sharply eince ite interims, shed a

penny to 363p. NetWest lost 7 to 320p on turnover of 4.7m ahead of interims next week. The stock has seen good two-way busi-ness as hullish investors bought for recovery, but the market decided that the time

had come to take profits. Press comment on the num-ber of people behind with their mortgage affected Abbey National shead of the interims today. The stock lost 3 to 303p. San Alliance gained 6 to 368p on turnover of 3.1m after one securities house crossed

1m shares at 366%p. Insurance broker Lowndes Lambert was 5 better at 305p. Trading in the shares began on Monday with an issue price of 290p and an opening price of

Shell Transport put on 4 to 542p ahead of second-quarter results due on August 8. John Mowlem weakened 16 to 219p as Hoare Govett

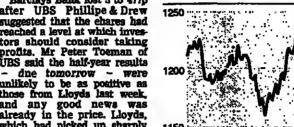
reduced its profits estimate for the current year by £5m to £20m. Houre believes that in spite of the depression in the construction industry Mowlem will be able to pay a dividend.
W. Canning, the specialty
chemicals and electronic components distribution group, gained 10% to 138%p after securities house Smith New Court bought the stock as part of a programme trade in sec-

ond-line stocks. Reports that the price of platinum had fallen below the price of gold focused attention on Lourho, which slipped 7 to

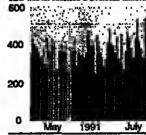
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CAMADANAS (1) imperied OR, MANNCE (2) King a Sharkov, Reflex inva., SREWERS (1) Atomism-Georieve, bulla Device as Consuln, Creat Nicholson, Higgs & MR. Mowlen (J.) Wand Opp., ELIGITESCAS (1) Planmes, EMGNETHENG (2) Balley (C-I). Ramanones, POODS (2) Carr's Milling, Globel, BUDUSTRIALS (8) Clearmank, Hadleigh, Levercreat, Melville, Mossich trez., Physicala, Porth, Foos, Manifackof (1) FAL Lemming (3) TV-am. Tyre Tees, Vortabler TV, MINISPERS (2) Unit, VTR, PROFERTY (4) Clayform, Grateger Tel. Mountilety 5.25pc Pri., Trational Pers., TEXTRES (1) West Tat., TRASTER (6) Creat, Emgland Carl, Errodge, 40 Cd., Serrodge, 40 Cd., German Wirnts., Murray Vantares, New Frontiera Dev., Cal. 4 (9) Amedic Ind., Carl Wirntss., Praesist Core.,

## FT-A All-Share Index



**Equity Shares Traded** Turnover by volume (million)



249p. One observer said sentiment was made more gloomy by speculation that the US may be about to offload some of its strategic stockpile of platinum and drive the price down fur-

The market felt that Inchcape had risen too far in spite Toyota in the UK and the shares lost 4 to 380p.

A good run for Williams Holdings came to a halt as profit-takers brought the price down 8 to 823p. Carpet manufacturer Victoria Carpet Holdings jumped 19

to 124p after announcing a maintained dividend. Cramphorn, the garden cenas the shares recovered from a recent profits warning.

Vickers lost 10 to 200p on busy turnover of 3.5m, having been even lower, after UBS Phillips & Drew cut profits expectations because of the fall in car sales experienced by Vickere' anhaldiary, Vickere' anhaidiary, Rolls-Royce Motor Cars. The broker cut its current year

forecast by £12m to £28m. It

expects £54m next year.
Bargain hunters helped British Aerospace bounce from Monday'e fall and the shares ended 2 better at 570p on turn-over of 1.2m. Many analysts are lowering profit expectations, following the lead set by Hoare Govett, BAe's broker. There were hints that UBS Phillips & Drew had cut its current year forecast from £340m to £260m.

The combination of a squeeze and the return of bld speculation lifted Hawker Sid-deley 12 to 594p. TI gave up 14 to 555p in nervous trade ahead

#### of tomorrow's interim figures which analysts expect will Turnover in RBA Group rose

report that it was negotiating to buy the frozen cake division

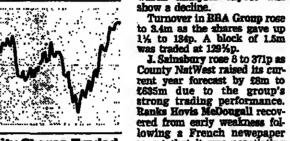
of the Bouygues group, Analysts said RHM could expect to

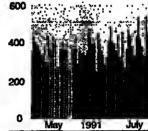
pay \$20m to 30m and would belp RHM to increase its pres-

ence in Europe. RHM closed unchanged at 278p.

James Capel, the brokerage bouse, reiterated its positive opinions on Forte and Rank

Organisation, 3 better at 274p and 680p respectively. Buy the sector ahead of the good news





rather than on hearing it, was the view of the agency broker. USM-quoted mining company Monarch Resources con-tinued to benefit from an encouraging annual meeting on Monday and the shares firmed another 8 to 173p, their highest level since November

MARKET REPORTERS: Daniel Green, Peter John, Joel Kibazo. Jim McCallom.

M Other market statistics, includ-ing the FT-Actuaries Share indi-ces and London Traded Options,

#### **EQUITY FUTURES AND OPTIONS TRADING**

FT-SE 100 index futures kept up a strong lead over the stock market yesterday, while the traded options market saw activity in British Gas and Ladhroke, writes Jim

Based on the tricking volume for a selection of Alpha securit more are counted down.

| 100 500 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

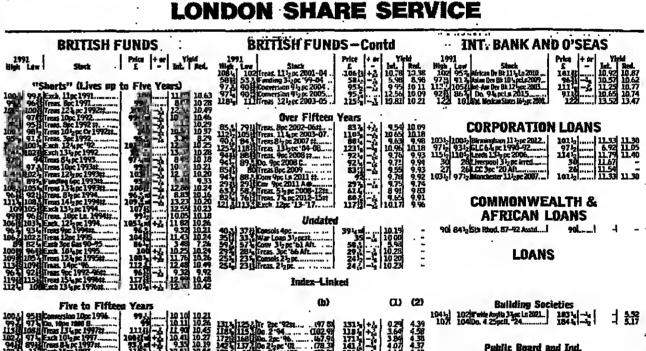
For much of the session the September FT-SE contract traded at a 30 to 35-point premium to the spot index, which was slightly less than the previous day hnt still considerably above the 20 to

22-point fair value premium. Around mid-session futures moved ahead in line with the cash market as dealers anticipated a stronger performance by Wall Street.

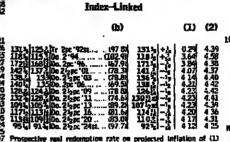
In the event US shares ral-Hed hat the market lost its confidence after the decline in water shares. But a late hurst by Wall Street allowed futures to regain most of their losses.

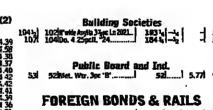
2,628, down I point on the day,

Despite the equity market's hesitancy, September's closing premium of 36 points indicated that the recent build up of bullish sentiment has not evaporated and further gains A in equities are anticipated. In the traded options market the main features were a technical trade in FT-SE De 2.725 calls and activity in British Gas September 280



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#### **CONTRACTS & TENDERS**

## **AGRICULTURAL BANK OF GREECE**

**Privatisation** SEASIDE PLOT OF AVIKO CO. (isiand of Kos - South Aegean)

In the context of its Privatisation Programme, the AGRICULTURAL BANK OF GREECE and the Agricultural Products Processing Cooperative of Kos. sole shareholders of AVIKO Co., an agricultural products processing company situated on the island of Kos (S. Aegean) invite interested investors to submit to the Bank offers for the purchase of seaside plot (20.7 thousand sq. metres) owned by the company.

Offers must be submitted by August 30, 1991 to the Agricultural Bank of Greece. Further information may be obtained from the AGRICULTURAL BANK OF GREECE, Privatisation Unit, 23 Panepistimiou Street, 105 62 Athens. Tel. (01) 329 8723, (01) 329 8353 Fax: (01) 329 8706

#### APPOINTMENTS

## Chairman of Vinten Group

 Mr J. Humphrey A. Wood,
 e non-executive director and deputy chairman since April, has been appointed chairman of VINTEN GROUP from September 2. He has held senior posts with Consolidated Gold Fields, Hawker Siddeley Aviation and Rolls Royce, and will succeed Mr Ron Marler who is retiring.

Mr Irvin E. Aal has been appointed e director of RANSOMES, responsible for the America division.



■ EDINBURGH FUND MAN-AGERS has appointed Mr Don-ald Hay (left) and Mr Tom Walker (right) as assistant directors from August 1. They were senior fund managers.

Dr follow Dr Pete was d SPIDER SYSTEMS, Wokingham, has appointed Dr David Simpson as chairman following the resignation of Dr Peter Palmer. Dr Simpson was deputy chairman.

■ EXETER HOSPITAL AID SOCIETY, a private health insurance friendly society, has appointed Mr Roger Bruce Cawse as chief executive and general secretary, to succeed Mr John Midgley who retires in December, Mr Cawse is in the total quality management directorate of the TSB.



(pictured) has been appointed THE ROYAL BANK OF SCOTLAND's local director for Liverpool, a new post. He was assistant general manager, UK banking, in Manchester and previously was responsible for establishing the bank's first overseas branch in New York.

■ SWEETMATE, which supplies 'Alb bagged confectionery, (part of Portfolio Foods), has appointed Mr Peter Redfern as sales and marketing director. He was commercial director at Regalin.

#### Joining the Securities and Investments Board

■ Mr Joe Palmer, group chief executive of the Legal and General Group, and immediate past chairman of the Association of British Insurers, has been appointed to the SECURITIES AND INVESTMENTS BOARD for three years ending on July 31 1994. He retires from Legal and General in September. Lady Scott, vice-president of the Institute of Trading Standards, is appointed to SIB for a similar period. Mr John Manser is re-appointed for three years; Mr Graham Ross Russell and Mr Leonard Warwick are both re-appointed for two years; and Mr Brian Williamson is re-appointed for one year. Mr Derek Fellows retires on completion of his term of office. He will remain at SIB as e consultant until the completion of the Retail

Regulation Review. Lord Chalfout is to continue as chairman of VSRL CONSORTIUM for e further two years until the 1993 annual

■ Mr Simon Griffiths has been appointed treasurer of MIRROR GROUP NEWSPAPERS.

■ Mr Les Manton has been appointed managing director of Caradon Elliott. He is

succeeded es managing director of Caradon L. & P. by Mr Don Perrin who was director and general manager of Caradon Rolinx. The companies are part of CARADON PLASTICS.

director of the Wadlow Grosvenor group, has been appointed to the board of SADLER'S WELLS TRUST.

■ Mr Peter Rentley has been promoted to managing director of Lovell Developments, St Albans, succeeding Mr Paul Butcher, now head of the LOVELL GROUP division incorporating Lovell Developments and Lovell



Mr Clive Snowdon (pictured) has been appointed finance director of HAWKER SIDDE-LEY's aerospace division. He was managing director of Vickers Medical International.

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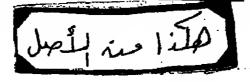
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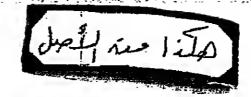


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## CURRENCIES, MONEY AND CAPITAL MARKETS

system to be replaced by the Danish krone. Mr Pierre Beregovoy, French

finance minister, said that eco-nomic growth in the second

quarter would probably be no better than in the first quarter,

when it was zero. In Paris the

highest placed ERM currency,

the Spanish peseta, lost ground to the franc at the fixing, but the D-Mark improved. In the ERM the peseta was

little changed overall, underpinned by speculation that tomorrow's tenders for Spanish

Treasury paper will result in higher yields.

The German currency was

#### **FOREIGN EXCHANGES**

## Dollar down, but above lows

THE DOLLAR finished weaker, but above the day's lows on news that sales of new US single-family homes rose 7.4 per cent in June, after a revised decline of 3.2 per cent in May. Sales in the north-east of the country climbed 24.5 per cent, reinforcing hopes that the US economy is coming out of

recession.
On the other hand any improvement in sentiment was countered by a fall in the US Conference Board's index of consumer confidence to 77.7 in July from 78.0. The board said that consumers continue to be uncomfortable about future developments, but are slightly happier about present condi-tions than a month ago.

There was no immediate reaction to a report of deep cuts in US military spending and its withdrawal from about one-third of 1,600 foreign bases over the next four years. This

was said to be the result of budget pressures and the eas-ing of east-west tensions. The dollar fell below DM1.7400 at one time, but at the London close was quoted at DM1.7505 compared with DM1.7530 on Monday. It also fell to Y137.80 from Y138.15; to SFr1.5285 from SFr1.5325; and to FFr5.9525 from FFr5.9600. On Bank of England figures the dollar's index rose to 66.9

July 30	Latest	Previous Close
month months 2 months	16805-16815 0.79-0.77pm 2,10-2,07pm 6,45-6,35em	1.6829-1.683 0.72-0.71cp 2.11-2.08ps 6.65-6.45cs

	STERLIN	C IND	EY
_	31 Engite	July 30	Previous
8.30 9.00 10.00 11.00	20	90.9 90.9 90.9 90.9	90.7 90.7 90.7 90.7
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4.00 pm	. 90.9	90.7
CURRENCY	MOVE	MENT
74T 30	Bank of England Index	Morgan** Changes %
Sterling U.S Dollar Camadian Dollar Austrian Schilling Belgian Franc Danish Krope D-Mark Serts Franc Dottis Galider Frenck Franc	90.9 66.9 105.6 108.7 110.1 107.4 116.6 108.9 112.9 101.7	-20.7 -11.7 +2.9 +11.3 -2.8 +2.4 +23.4 +17.4 +15.1 -13.9

Jul 30	Bank	Special *	European 1
	rate	Drawing	Carrescy
	%	Rights	Unit
Sterling J.S Dorlar J.	550 8.95 7 7.50 6.50 7.75 1014 1115 5.6 6.00 19	0.792472 1.53373 1.53246 16.4115 48.0643 9.02402 2.52816 1.62611 7.792169 1739.85 184.321 9.12405 145.709 145.652 2.03327 N/A	0.698125 1.17529 1.3523 14.4573 42.2812 7.94322 2.05148 2.31286 6.97890 1533.76 161.873 8.01139 128.502 7.44314 1.79056 0.767414

Jul 30	1	S
Argentina Australia	16715.2 - 16732.1 2 1565 - 2 1685	9970.00 - 9980.00 1.2815 - 1.2825
Brazil	574.900 - 575.770	
Finland		41990 - 42020
	319,200 - 326,200 13,0440 - 13,0605	
Iras	112.00	70.00
Korea(Sth)	1212.75 - 1232.35	
Leaventhouse	0.49060 - 0.49090 60.60 - 60.70	0.29205 - 0.29215 36.05 - 36.15
Majarda	4.6880 4.6965	2 7860 - 2 7880
Medes	5077.25 - 5081.95	3015.00 - 3016.00
N.Zealand	29410 - 29445	17473 - 17475
Stool Ar	6.2070 - 6.3635 2.9375 - 2.9445	3.7500 - 3.7510
S.Af (Cm)	18220 4.8330	28645 - 28660
S.Af (Fe)	5.4730 - 5.5630	3,2520 - 3,3055
Tahoran	45.25 - 45.35	26.90 - 26.95 3.6735 - 3.6735

**MONEY MARKETS** 

Rates stay firm

hands, repayment of late

assistance and a take-up of Treasury bills drained £505m, with exchequer transactions absorbing £560m and bank

balances below target £185m.

These outweighed a fall in the note circulation adding £110m to liquidity.

In Frankfurt call money rose

to 8.90 from 8.85 per cent as banks bid for funds to make

pension payments. On Monday

the Bundesbank injected an estimated DM2bn into the

banking system, via funds held by the central bank on behalf of public authorities. Most of this probably remained in the market yesterday.

Extra liquidity has been

offered, via two securities

repurchase agreement tenders, but this will be needed to offset by two expiring facilities totalling DM49.8bn. The

Bundesbank has offered 34-day

and 62-day funds at variable

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

August 16 at a rate of 10 per cent. Before lunch another £150m bills were purchased, for resale to the market on August 16 at 10 per cent. RATES WERE firm on the London money market yester-day. Weekend comments from ministers, accompanying publication of the UK Treasury Bulletin, have increased cantion about the timing of bank base rate cuts. There was little reaction to yesterday's CBI industrial trends surgery In the afternoon £495m bills were bought outright, by way of £20m Treasury bills in band 1 at 10% per cent; £416m bank bills in band 1 at 10% per cent; £13m Treasury bills in band 2 trial trends survey.

Three-month sterling interbank was quoted at 114-11% at 10% per cent; and £46m bank bills in band 2 at 10% per cent. Late assistance of around £255m was also provided. Bills maturing in official

per cent, compared with 112-112, and 12-month money was 101-10% against 101-101 per

UK clearing bank base lending rate 11 per ceut from July 12, 1991

Short sterling futures traded in a narrow range on Liffe, consolidating after Monday's sharp fall. September delivery was unchanged at 89.19 and December rose to 89.63 from

Day-to-day credit was in short supply on the cash market. The Bank of England initially forecast a shortage of £1,150m, but revised this to £1,100m at noon and to £1,350m in the afternoon, before finally revising the shortage to £1,450m. Assistance of £1,294m was provided.

An early round of belp was offered and at that time the authorities bought £394m bills for resale to the market on

Sterling had a firm tone, despite a pessimistic quarterly survey from the Confederation of British Industry. Business confidence is still falling and further interest rate cuts are needed, according to the CBI, but dealers doubted that the authorities would responding

quickly to this prompting.

Speculation about higher German interest rates, and the shrinking of rate differentials between London and Frankfurt so far this year, are seen as limiting any room for lower UK rates in the near future.

The pound rose 60 points to \$1.6805. It also advanced to DM2.9425 from DM2.9350; to FFr10.0025 from FFr9.9800; to SFr2.5675 from SFr2.5650; and to Y231.50 from Y231.25. Sterling's index gained 0.2 to 90.9. Sterling remained the third

The German currency was buoyed by suggestions that the next meeting of the Bundesbank council, on August 15, will result in a tightening of monetary policy. Mr Helmut Schlesinger, president-elect of the Bundesbank, recently indicated that the German discount is too low when compared with market rates. weakest member of the European exchange rate mechanism, as the French franc

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EMS EUROPEAN CURRENCY UNIT RATES										
	Ear Central Rates	Currency Amounts Against Eco Jul 30	% Change from Central Rate	% Spread vs Weakest Currenty	Olvergense Indicator					
sh Peneta a Ura an Franc an Franc Calhier Pent an Franc b Krosse	133.631 1536.24 42.4032 2.05984 2.05964 0.767417 0.696904 6.89509 7.84195	126.502 1533.76 42.2812 2.051.48 2.31286 0.76741.4 0.698125 6.97890 7.94322	**************************************	139 158 158 159 158 158 158 158 158 158 158 158 158 158	57892155 <b>144</b>					

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1.5270   1.5390   1.5280   1.5290   0.54-0.48cpm   4.04   1.55-1.45cm   3.93	Jul 30		Close	One month							
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July 30	£	\$	DM	Yes	F Fr.	S Fr.	H FI.	Lica	cs	● Fr.	ECU
£	1	1.681	2,943	231.5	10.00	2.568	3.318	2198	L937	60.65	1.431
\$	0.595	1	1.751	137.7	5.949	1.528	1.974	1308	1,152	36.08	0.851
OM	0.340	0.571	1	78.66	3.398	0.873	1.127	746.9	0.658	20.61	0.486
YEN	4.320	7.261	12.71	1000.	43.20	11.09	14.33	9495	8,367	262.0	6,181
F Fr.	1.000	1,681	2.943	231.5	10.	2.568	3.318	2198	1,937	60.65	1,431
S Fr.	0.389	0.655	1.146	90.IS	3.894	1	1.292	855.9	0.754	23.62	0.557
H FL	0.301	0.507	0.887	69.77	3.014	0.774	1	662.4	0.584	18.28	0.431
Lira	0.455	0.765	1.339	105.3	4.550	1,168	1,510	1000.	0.881	27.59	0.651
C\$	0.516	838.0	1.519	119.5	5.163	1.326	1,713	1135	1	31.31	0.739
OFr.	1,649	2.772	4.852	381.7	16.49	4.234	5.471	3624	3.194	100.	2.359
ECU	0.699	1,175	2.057	161.8	6,968	1.795	2.319	1536	1,354	42.38	1

LIFFE LONG GOLT FUTURE E50,000 64th of 100%	APTIONS		STREASURY BOT	PITURES :	PTINES	LIFFE BI	PAGE FUTURES OFTE 90 paints of 100%	OKS
Surker Colls-retiferences Price Sep Dec. 89 3-12 3-62 90 2-14 2-58 91 1-72 2-12 92 0-43 1-39 93 0-17 1-09 94 0-66 0-53 95 0-62 0-35 96 0-01 0-21 Estimated volume total, Calif	Sep Bec 0-04 0-42 0-14 0-42 0-13 1-25 1-07 1-57 1-60 2-37 2-56 3-19 3-55 4-07 1-90 Pats 1578	Surface Price 91 92 93 94 95 96 97 98 Estimate Provious	Calls stillens Sep De 3-29 3-2 2-34 2-44 2-0 -63 1-4 -63 1-4 -63 1-4 -63 1-4 -63 1-2 -6 -7 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -6 -7 -7 -6 -7 -7 -6 -7 -7 -6 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7	Sep 0-05 0-10 0-20 0-39 1-08 1-53 2-45 3-42	Dec 0-48 1-04 1-30 1-62 2-35 3-14 3-61 4-49 25 0	Surface Price 8200 8250 8350 8350 8450 8450 8550 8550 8510 8550	Calls extilements Sep Der 1.66 2.02 1.18 1.61 0.74 1.25 0.94 0.94 0.17 0.67 0.07 0.47 0.03 0.32 0.02 0.21  Inchesse total Calls Sep Sep Set Calls Sep	Pro-settlement See 0.002 0.22 0.04 0.3 0.10 0.4 0.25 0.4 0.53 0.8 0.93 1.1 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5 1.5
LIFFE EUROBIARK OPTIONS Billin points of 196%		USTE E	MANUTAR OF THE	MS			ORT STEPLING OFF	TOPES
Surfie Calis-settlements Prins See Dec BY75 0.86 0.86 9000 0.62 0.43 9025 0.99 0.43 9025 0.19 0.25 9075 0.07 0.11 9100 0.02 0.07 9125 0 0.02 9150 0 0	Pats-2010-monts Sep Dec 0 0.05 0.01 0.05 0.03 0.10 0.08 0.17 0.21 0.30 0.41 0.47 0.64 0.70 0.89 0.92	Strike Prize 1300 1325 1335 1355 1375 1400 1425 1450 1475	Calls artifered Sep Oct 0.45 0.45 0.45 0.45 0.45 0.16 0.05 0.16 0.05 0.05 0.05 0.05 0.05 0.05 0.05 0.0	5.01 0.02 0.06 0.20	Dec 0.41 0.20 0.47 0.70 0.49 0.10 0.41 0.41 0.41 0.41 0.41 0.41 0.41	Strite Price 8825 8825 8825 8925 8925 8925 8925 8975 9000	Calls-settlements Sep Oct   043	Pats settlement Sept On 1 0 0 0 0.01 0,00 0.05 0,00 0.15 0,00 0.25 0,11 0.28 0,30 0.82 0,40
Estimated sciente total, Call Previous day's open Inst. Calls 2	1560 Puts #50 5948 Puts 21146	Estimates Previous d	rotune total, Ca lay's open last. Call	5 0 Puts 0 2562 Puts 28	<b>52</b>	Estimated Previous d	voinne total, Calls i ay's open int. Calls i	2933 Pets 3137 14236 Puts 3590
LONDON (LIFFE)		CHICA						
20-YEAR 9%, MATERIAL CO 554,000 32mb of 180%			STREET SOURCES DE			Y12.5m \$		
Gase September 1974  Gase September 1974  September 192-08 92-1  Estimated volume 10724 (11  Previous day's open int. 3397	0 92-02 92-04 1 92-08 92-07 06-80		94-12 93-21 93-00	High Lo 4-14 94-0 3-21 93-1 3-00 92-2 3-11 92-0	9 94-12 7 93-20 9 92-31	Sep Bec Mar Jun	0.7257 0.726 0.7258 0.726	0 0.7245 0.7

94.46 94.18

Sep Dec	Gase 92-05 92-08	92-10 92-11	85-05 706	Prev. 92-04 92-07	Sep Dec
Estimate	day's open is	24 (1106) L 33977 (	331713		Mar
US TREE	SERY SONS 0 Strak of 1	S 8% *			Sep Bec Mar Sep Bec Mar Jea Sep Mar Jea Sep
Sep Dec	94-12 93-21	High 94-14	#-10 File	94-13 93-22	Sep
	d rotane 754 day's open is		מכד		U.S. TE
	Mark Germ Mi 180th a				Sie pe
Sep Dec	83.64 83.81	83.82 83.92	83.62 83.79	87.43 87.80	Sep Dec Mar Jen Sep
	d volume 35) day's open L				Jan Sep
4% HOT 2010 YZ	MAL LING	TERM 14	MESE &	Wt.	
Sep Dec	96.36 96.60	High 96.36	96.31		
	d splease 539 scientists on				SP 125

5% NOT	1990 1995 1990 1995	of 100%		
Sep Dec	97.99 97.88	98.02	97.95	97.90 97.80
Estimate Previous	day's open is	(2)M L 1279 (1	2991	
TAREE .	and and	M%		
Can	29.18	89.20	89.15	Pres.
Sep Dec Mar	89.A3	89.65	89.61	89.62
Mar Jun	89.86	89,86	89.52 89.57	89.16
Sep	87.56	89.60	89.56	89.56
	89.46	89.47	89.45	29 AL
ES. VOI.	day's open in	1 172457	C TOWN	20

	LAR	Sep Dec Mar Jen Est, Vel, Previous	93.83 93.34 93.30 92.85 Gaz, figs. as day's open in	93.34 93.34 93.30 92.86 4 shows 1 4, 27369 0	93.33 93.29 92.84 905 (22)6 29072)
	F 22		10 1 10 m		
19 49 49 49 49 49 49 49 49 49 49 49 49 49	Sep Dec Mar Jun Sep Dec Enthrate Previous	Costs 90.61 90.58 90.78 90.79 91.04 91.21 of tubure 162 day's open in	90.65 90.65 90.63 90.82 90.91 91.02 91.22	90.57 90.57 90.57 90.77 90.88 91.02 91.17 0110473	
Š	-4.45 -3.69		points of 184	1%	
HARRICH PRINT	-177 -134 -541 -195 -446	Sep Des Mar	Sest 89,97 90.07 90.27	90.01 90.13 90.33	89.99 90.09 90.27

q.		90.40 d volume 36. day's open in		90.47
-	THREE	MONTH EXTENSION OF THE PARTY OF	SW155 F	
Tar and the same of the same o	Sep Dec May Jun Estheate	Close 92.11, 92.24, 92.53 92.74 is volume 120, 617's open in	92.14 92.30 92.56 5 0766)	92.11 92.24 92.54
	FT-EE 1	DO BENEX Bull harden puri Close	int Hilioth	1=
۶	See	2628.0 2670.0	25/2.0	26.27.0 26.70.0

See Bec Mar	Clese 2629.0 2670.0	2542.0 2570.0	2570.0 2570.0	Prev. 26-29.0 26-70.3
F7-65. 5	day's open to cap's open to construct : or full lades :	Lie REE		_
Sep Dec	Close	1130.0	1127.0	Pro. 1127 5
Estimata	d volume 5 (	161		

	* Contracts traded on APT after trading hours
١	POUND - DOLLAR
l	FT FOREIGN EXCHANGE BATES

POU	ND -		LL	AR
FT FUEL	DEM	ट स्थाय		
1.6805	1.6728	160%	1.6430	12-mi
PA-STEE	DIG \$4 pp (			
Sep	1,6766 1,4460	1.6786 1.6786	L6724	1.670

57	FT FRIEDS	DOWN	LUIE							
31 51 39 59	Spot 1.6805	1-00A 1-6726	滅	6-mth. 1.6430	12-mt					
	BAL-STEE	BAN-STERLING SA per C								
	Sep Bec Mar	1.6766 1.6600 1.6410	Nish 1.6786 1.6600 1.6450	L6724 1.6540 1.6400	1.651 1.651					
	_		_	_	_					

			23.62		FT FORESC	N DOWN	LATES		
1	662.4	0.584	18.28 27.59	0.431	Spot 1.6805	1-nth 1-6726	協	6-mth 1.6430	12-meh. 1.6156
	1135	1		0.739	Bell-STEE	1365 \$4 per (			
		3.194 1.354		2.359	Sep Dec Mar	1.6766 1.6600	Niph 1.6786 1.6600	L6724 16540	1.6700
ı Fr	per 10	Ю.			Mar	16410	16450	1.6400	16512
F	TL	ONI	ON	INT	ERBA	NK F	IXI	4G	

11.00 a.m. July 30)	3 moeths US dollars	& courts	IS Dollars		
liki 572	offer 6%	M6 6A	offer 6A		

		HONE	Y RAT	res .			
NEW YORK			Treasur	y 211s and	Bonds		
Lumchtimo Prime rate Broker loan rate Fel.funds Fel.funds at Intervention	85 74	One snooth Two reach Three month Str month Gue year Two year		6.17 Three year 5.68 Four year 5.72 Five year 5.73 Serval year 6.21 10-year 6.84 30-year		7.80 7.80 8.06	
July 30	(hernight	Que Month	Two Months	Three Months	Siz Months	Lombard Intervention	
Frankfurt	8,85-8,95 74-75 0,75-88 74-78 104-11 0,93-9,66 9,4-9,4	8.85-9.00 91-93-73-8-96-9.06 78-78 114-12 9-91-94-10	8.00-9.05 91 <sub>2</sub> -95 <sub>1</sub>	9.05-9.20 91-9-1 71-8 9.19-9.27 74-7-1 114-12 91-94 101-101	930-945 93-911	9.60 9.25 - -	

LONDON MONEY RATES							
Jul 30	Overnight	7 days notice	Dae Month	Three Months	Siz Months	0 ne Year	
nterbank Offer nterbank Bid terling CDs	11½ 104	1114	11 & 11 & 11 & 11 &	114	11 103 101 101	100	
ocal Authority Deps ocal Authority Boods	n 1	114	-		1011	10 %	
iscount Mict Deps ompany Deposits mance House Deposits	11 114	11	10 % 11 % 10 % 10 %	105	11 101 104	10 m 11	
reasury Bills (Buy) lank Bills (Buy) Ine Trade Bills (Buy)	<u> </u>	-		101		Ξ	
OR Linked Den Offer	=	_	5.92 7.7 7.3	6.02 7.3	6.27 74 75	6.55 73	
OR Linked Dep. 81d GU Linked Dep. Offer . CU Linked Dep. Bld	=	Ξ	7.5 7.5 9.5 9.5	74 74 10 97	75 10 Å 10 Å	71, 101, 10	

# BASE LENDING RATES

Hards

16,250

0.61

204 26,215

					_
	%		%	McDownell Douglas Bolk.	7
Adem & Company	11	Co-operative Bank	11	McDonnell Dooglas Bok.	1
Atlan & Conpany	11	Contis & Co	11	Middland Baok	1
AIB Bast	11	Oppres Popular Bt	11	Moost Backing	Ī
6 Heary Australies	11	Denker Bank PLC	ũ	Nat Westminster	ī
8 & C Merchant Bank	ī	Dances Lawrie		Marthern Bank Ltd	ĩ
Bark of Baroda		Epuatorial Back alc		Myterellt Mortgage Bank	ĩ
Basco Bilhan Yizzara		Exister Bank Limited	Пъ	Provincial Bank PLC	ĩ
Bank of Cypres		Financial & Gen. Bank		Rochorghe Bask Ltd.	ì
Bank of Instand	11	First National Bank Pic.		Royal Bk of Scotland	ũ
Bank of India		Report Fleming & Co		Smith & William Sess.	ũ
Bank of Scotland	īī	Robert Freez & Pters		Standard Charlesed	ĩ
Barque Beige Ltd		Girobank		TSB	ü
Bardays Bark	īī	Guirress Matous		Unihast plc	ĩ
Benchmark Bank		Hambrus Bank		• United Bk of Kewalt	t
Brit 8th of Mid East	īī	Hampshire Trest Pic.		Unity Trust Back Pic	+
Brown Stiples		Heritable & Gen law Bak.	ĭĭ	Western Trust	
Cl. Bask Nederland	īī	HIT Sarper		Westpar Bank Corp.	
Citibank NA	īī	C. House & Co.		Whiteaway Lakdaw	#
City Mexicuts Bank		Honghong & Skangbal		Yorkshire Bank	#
Chatestale Bank		S Lesgold Joseph & Sors	#	• Members of British Mem	
Comm. Blk. of Loadon Pic		Linyis Bark	ii		
TOTAL CONTRACT IN		Megical Bank Ltd	#	Banking & Securities He	753
		maked here man-		Association.	



#### MONTEDISON

#### 1990 ANNUAL REPORT

Notice is hereby given that copies of the 1990 annual report of Montedison S.p.A. are available, upon request, at the offices of its UK subsidiary, Agricola UK LTD, 103, Mount Street, London WIY 5HE.

FINANCIA	L TIN	1ES	WED	NEST
MON	EY	7	AN	RK
Money N	lark	et		Ce-0 P0 Ba
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The COIF Charitie Fore Street, Landon E Deposit	10.85	-1"	£1.3013-W	5 1111-17
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Gartenore Money I. 3 White Hart Yard, Ur ESSA Designation of Control of Contr	Manageri ndon SE18 10.45 10.75 10.52 4.49 10.20 10.00 9.75	7 98 0.06 3 36	d 71-236 142 71-236 936 10-93 to-like 11-163 to-like 11-163 to-like 4 56 13-144 10-36 13-144 10-36 13-144	440 St. 50,000 in 120,000 in 120,
Money N Bank Ac	lark cour	ıts		Oarti 70 Pric 530,00 525,00 63,000
	Gross	Net (	AR In C	Finan
LIB Bank High In Selmont Rd, Unbridge U 2 500-19,999	terest Ct 88 15A 9.00 9.75	6 75 C	CCOURT 600 28211: 9.30 90 0.11 90	13 LON H.I.O.A
Afther Horne Band O City Road, ECLY 2AY reasy ACT to be 0411-80-64-94 to be 0411-80-64-94 Im let the 650,000+	ale.		71-638-6070 9 84 Ott 9 92 Min 0.47 Mth 1.02 Mth	620
and of the sale from the	144			£4.000
Ulled this Bazik 7-101 Camen St. Lond 0HNA IC2 001+1 HENA IC2 001+1 ICA IC2 001+1	11.00 9.50 12.50	7113	2.01 Min 1.57 Min 9.92 Min 3.24 Yeart	Humah Challey £50,00

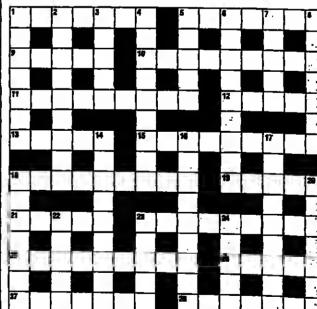




JOTTER PAD

#### **CROSSWORD**

No.7,608 Set by MUTT



reticule (?)
5 Romping lasses and lads follow the big bell (?)
9 Come round again about the

dog (5) 10 Drummer's face is behind my back in the race (9) 11 Touring car – the car with

11 Touring car — the car with personality (9)
12 Crank is attributed with considerable knowhow in chemistry (5)
13 A lifter, one among the strong (5)
15 A conception of perfection to live with; a high-class notion at fifty (4-5)
18 The one in top position calls here to catch fish (9)
19 Put up with the rector being godless (5)

godless (5) 21 Strip at an alfresco party?

(5)
23 Knowing song I can't place somehow (9)

A. T

ww.

1 Rich to be roaming without a bean (7) 2 Beverage that's trendy with eastern fruit (9) Turn up for morning mas-

4 Procure item of furniture fo-be placed within reach (3-24) 5 Send over for the clock (5) Wan, he staggered into the distance - in the flashback-perhaps? (9) perhaps? (9)
7 Overcharge for vegetable (5)
8 Bag centre for roses at Charsea (7)
14 Poor fool with virus appears A STATE OF THE PROPERTY OF THE PARTY OF THE

からから はいなか 一切のないない

5. 计图象数

14 Poor fool with virus appears to be rather glddy (3)
16 Such hunters wish to have this penned (3)
17 To several may be offered lifts (3)
18 Exploded mildly about statident, sounded like a drip (7), 20 Ragman, having started young, is becoming shaky, (7)
22 The Biding Markon in the book of the property of the proper

22 The Riding Master is to provide hot baths (5)

23 19 scattered about the island

(5)
23 Knowing song I can't panasomehow (9)
25 For appearances, get female to sign in Pennsylvania (9)
26 Horde urged on (5)
27 Seemed confused about name of estate (7)
28 Listen, speak and it becomes common talk (7)

28 Interpretation of the property of

470.41 (16/1)

590-57 (22/6)



## WORLD STOCK MARKETS

			W	ORLD STO	CK M/
AND THE A	FRANCE (continued) July 36 Frs. + or -	SERMANY (continued) July 30 Det. + or -	NETHERLANDS July 30 FM. + or -	SWEDEN (continued)  Jaty 30 Krener. + ar -	1
Annirian Ajalias 2,915 - 12  Annirian Ajalias 2,915 - 12  EA General 3,954 - 5  EVN - 3,954 - 6  EVN - 3,954 - 7  EA diet Heraktig - 7,97 - 9  Reinlegham Birk - 7,97 - 9  Reinlegham Birk - 7,97 - 7  Reinlegham Birk - 7,97 - 7  Reinlegham Birk - 7,97 - 7  Verbund (R),7 - 50,54 - 3  Verbund (R),7 - 50,54 - 3	Registra-Say   577   -5	Continental AG . 189 01.W . 189 0	A DR Asses (600m) 36.80 ±0.50 AEF Hit Dep Recs 37 ±0.50 AEF GON 121.40 ±0.90 Abaid 81.10 −0.30 AXZO 116.10 ±1 AMEV Deg Recs 50.80 ±0.10 Belt Lacs Des Recs 50.80 ±0.10 Belt Lacs Des Recs 50.87 −9.80 Resensand Ct DeR 46.70 −9.80 Resensand Ct DeR 5 ±0.30 ±0.20 DAF 22.40 −0.20 DAF 20.534 Des Recs 81.30 ±0.20 DAF 5 ±0.30 DAF 5 ±0.30 DAF 6 ±0.30	Lierchian B Free 273 -1 Erichon B Free 275 -2 Eschie B Free 270 -7 Gambro B Free 274 -2 Hacmitte B Free 255 +2 Hacmitte B Free 256 Hacket Free 257 Sub Scalab B Free 276 Sub Scalab B Free 276 Scha Egoli Idea 78 +1 Size Hand B Free 115 +1 Size Hand B Free 127 -1 Treiteom B Free 129 -1 Volvo B Free 307 -2	Sales. Block  2:30 pm  Casotations in op- 4:300 Alexes Pr 14:00 Ar Cds. 13:400 Ar Cds. 1300 Alexes Ar 1300 Alexes Ar 1300 Alexe Ar 1300 Alexes Ar
Arbed 4.240 +50  881 2.20 +50  881 2.20 +5  Banis bett's Les 1.200 -5  Bang Ges Lear Po 12, 1850 -6  Bettoger 92, 10 -40  CSR Glesset 7, 770 +40  Cobego AFV 1 4 970 +10  Cobego AFV 1 3,3510 +25  Delinities Firities 7,250 +73  Electrabel AFV 4,335  Electrabel AFV 4,335  Electrabel AFV 50  GBL AFV 1 3,370 -15  GBL AFV 1 3,370 -15  GBL AFV 1 3,570 -4  GBL Cobego AFV 1 2,242 -6  Geotes 660 44  Geotes AFV 652  Geotes AFV 652  Geotes AFV 652  Geotes AFV 652  Geotes AFV 654  Geotes AFV 65	23   24   25   25   25	Holtsmann Ph	Assessment Dop Ress   63,40   +0,40	SWITZERLAND  Lety 3:6  Lety 3:6  Adia Inti IBr1  Adia Pig Gis  Lety 3:6  All subset Lonz  Lety 3:6  All subset Lonz  Lety 3:6  All subset Pig Gis  Lety 3:6  All subset Pig  Lety 3:6  All subset Pig  Lety 3:6  All subset Pig  Lety 4:6  All subset Pig  All subset Pig  Lety 4:6  All subset Pig  Lety 4:6  All subset Pig  A	64800 Bit Morey 548000 Bit Men & Sept 20 548000 Bit Men & Sept 20 58000 Bellmarri 28000 Sellmarri 4800 SSP A 31000 Bent Valle 18 000 Ben Valle 18 000 Ben Valle 18 000 Ben Walle 18 000 Ben Bellmark 18 000 Ben Bellmark 18 000 Ben Bent 18 18 000 Bent 18 000 1000 Bent 18 000 18 000 Bent 18 000 18 0
Ger Bamyer AFV2 4,990 440 Gerstaft 6-5-40 460 Kredierbank 4,000 460 Kredierbank 4,000		PWA   252d   42	Worker Ki Ded Rect   53,60	Lasti & G. Prist Prist	19100 CAE Ind 22500 Cambirdo 6000 Cambirdo 6000 Chambrido 45000 Cambrosi 15000 Cae Mora 15000 Cae Mora 12700 Can Pre 100 Can Pre 15400 Can Pre 15400 Can Ini A 6700 Can Ini A
SEPREMARK   Laly 30	Restorte 4,000 -20 Rhore Pouler Cts 355 +4 Rhorse-Pictar 1,671 -4 SLUC 546 +2 Sagen 1658 -2 Saint Gobain 466.50 -1.50 Saint Louis 1.468 -8 Sanot 966 -8	STALY Sub 30 Line + or -	Seage Pet B Free   124   10   10   10   10   10   10   10   1	Series Bank (B/)	NEW YORK DOW JONE Hotestrids Keen Book Transport
Superior	CEPhany	Flat Priv 3,6824 -1 Flat Priv 3,6824 -1 Flat Strip 3,6824 -1 Flat Strip 40,7254 - General Asster 31,9204+170 Glandial 3,99 -1 IFI Priv 15,570 -180	Nisroel Camabr   1,725     Nisroel Camabr   1,520     Nisroel Camabr   1,550     Nisroel Camabr   1,	AECI	STANDARD Composite t Industrials Financial IVSE Composite Arrex Mid. Value RASDAQ Composite Does Industrial Dis. V
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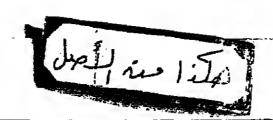
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## Dow returns above 3,000 on resilient bond market

#### **Wall Street**

BUOYED by a resilient bond market, share prices moved confidently higher yesterday morning, pushing the Dow Jones Industrial Average back above the 3,000 mark, unites

Patrick Harverson in New York. By 1 pm the Dow was up 23.48 at 3,008.72 in active trading. The hroader-based Standard & Poor's 500 was also firmer, up 2.39 at 385.54 at 1 pm, as was the Nasdaq composite of over-the-counter stocks, which rosa 3.38 to 496.73. Turnover on the New York SE was a heavy 101m

shares by 1 pm.

Analysts had been expecting a eurge in prices for some time.
The market declined to react positively to the reduction in long-term interest rates last week, so yesterday's gains were regarded as an overdue response to lower borrowing costs. The latest economic higher June home sales and steady employment costs but lower July consumer confidence - proved mixed and had little effect on overall sentimant. Friday's employment report is the next piece of data likely to move the market.

Boeing gave a boost to the Dow, rising \$2% to \$46% on turnover of 1.6m shares after the aerospace giant reported a 17 per cent improvement in second quarter profit. A strong contribution from its commercial divisions cancelled out shortfalls in defence and space

gain on strong earnings. The stock immed \$2% to \$34% after the white goods manufacturer reported a sharp increase in second quarter profit to 83 cents a share, aided by a good recovery in income at tha group's Brazilian affiliates. Merck rose \$1% to \$126% in active trading after several analysts reiterated their "buy"

Whiripool also posted a big

ratings on the stock following last Friday's approval from the of Merck's drug Plendil, used to treat hypertension. Hibernia slumped \$% to \$4% after NCNB, the south-eastern banking group, denied that it was considering investing in Hibernia. Yesterday the stock rose sharply on the unsubstan-

tiated story of NCNB's interest in the Louisiana hanking group. UAL climbed \$2 to \$141 % on the newe that it had withdrawn its \$235m bid for Pan Am's Latin American operations. Delta, whose bid for Pan Am assets was rejected yesterday by the troubled car-

#### rier's unsacured creditors' committee, edged \$1/4 to \$73%. On the over-the-counter market, Valley Capital rose \$4 to

\$28 after the bank holding com-pany said that it was discussing the sale of the company with an unidentified potential buyer. A newcomer, Progress Software, made a promising debut, trading at \$29% against an issue price of \$25 on turnover of over 1m shares.

#### Canada

TORONTO stocks climbed higher in midday trade on bar-gain-hunting in some cyclical blue chips. The composite index gained 12.9 to 3,543.2. Advances led declines by 188 to 177 in slow volume of 11.1m shares. Alcan rose C\$% to snares. Alcan rose C\$% to C\$24%, Inco gained C\$% to C\$42% while Cominco slipped C\$% to C\$23%. IAF Bicchem continued its march upwards after it said on Monday that initial test results of its Aids-Schtling dress contents. fighting drug were satisfactory. Its shares rose C\$% to C\$28% after jumping C\$% on Monday.

# Budget fuels Bombay's rally to record high

But future gains depend on the government delivering the goods, says RC Murthy

Bombay equity markst, already bnoyant after fiscal, trade and economic reforms earlier this month. The question now is whether the new minority Congress government, which set the scene for the rally, can deliver the goods. in the three sessions following the budget, the 30-share index of the Bombay Stock Exchange (BSE), India's largest with more than a third of national trading, was up hy 210.96 or 15 per cent to an all-time high of 1,630.27 last

Friday, surpassing the earlier peak set last October. The BSE index hit a second successive high on Monday, touching 1,679.95 before closing at 1,637.70, up a further 37.72 or 2.4 per cent. Yesterday it rose 9.30 to 1,647.00, another all-time high, but the national index retreated 4.34 to 795.71.

The hudget, whose provi-sions will be debated and voted npon in the coming weeks.

AST Wednesday's could have a rough passage fol-lindian budget has given lowing Monday's resignation of a second wind to the labour minister after differences with cabinet colleagues, and criticism of the budget from the opposition, notably the Marxists.

The post-budget npsurge confounded analysts. It pro-posed a stiff R30bn impost of fresh corporate and indirect taxes, and a cut in annual depreciation rates from 33% to 25 per cent, reducing the incentive for industrial investment. "The market should have collapsed," says Mr Vallabh Bhan-sali, a leading analyst. But traders saw the budget

differently. They ware prepared for strong medicins, such as subsidy cuts of up to R100bn (\$3.92bn) for the food, fertiliser and other industries and an across-the board increase in taxes which should have been especially hard on the booming cement industry. However, the finance minister let cement off the sales tax hook, and softened the blow of a fertiliser subsidy withdrawal

prices. Japan Airlines advanced Y20 to Y1,210 and All

Nippon Airways Y90 to Y1,430. Marubeni finished a net Y2

up at Y590 after an initial

decline. Some investors were

discouraged by the company'e

involvement in the recent stock market scandals. The

company and its affiliates were

the fourth largest recipient of

investment loss compensation from the Big Four. It was also

recently involved in a steel frand scandal, where former

employees were arrested for

allegations of setting up ficti-tious steel deals.

In Osaka, the OSE average

rose 212.76 to 26,328.33 on vol-

ume of 18.3m shares. Rohm, the integrated circuit maker,

appreciated Y50 to Y2,920 on

expectations of an upward revi-

**ECONOMIC** optimism boosted

Antipodean markets yesterday,

while disappointing half-time

results weighed on Singapore

sion in earnings.

and Kuala Lumpur.

Roundup

India Bombay SE Index 1,700 1.600 1,500 1,400

1,300

1,200

1,100

by phasing it out over three or four years.
Indo-Gulf Fertilisers rose by
R18.75 to R58.75 at the weekend. Gujarat Ambuja Cement
was up R35.50 to R220. Reliance Industries, which henefited from import duty and excise cuts, gained R30 to R165. Earlier this month, shipping, tea and other export-oriented

per cent of their exports, called "exim scrips", which can be sold to foreign exchangestarved importers at a premium under the new trade regime. Century Textiles and Industries, which exports two-thirds of its cloth production, became the market leader once again as it advanced more than R1,500 to R6,500. Great Eastern

Shipping, with most of its earnings in foreign currencies, jumped R22 to R78.50, and Sea Goa rose by a third to R365. Speculative stories flour-ished. The State Bank of India, formerly the Scottish-owned Imperial Bank of India, quadrupled to R1,600 on reports of the bank being privatised through a R50n jumbo offer.

higher by the 18 per cent rupee

devaluation and a windfall of

import entitlements of up to 30

The spurt in share prices last week was higger, in aggregate, than the gains of the previous three weeks when the new government, led by Mr Narasimha Rao, started dismantling restrictions on the corporate sector and avoided an international payments default by sir. lifting gold bullion to the Bank of England.

The Congress move from a mixed to a market economy, and the speed at which a minority administration is pushing through swingeing reforms, has astonished market professionals and politi cians alike.

tians alike.

It has drawn flak from leftists, who say that Congress is appearing the World Bank and the IMF, which are to be approached for a big loan. But Mr Manmohan Singh, the Congress is a special to the same statement of the same statement who is the same statement of the same statem gress finance minister who is an economist and a former governor of the Reserve Bank of India, says the reforms are

in the country's interest.

Meanwhile, in the stock market, too much money is chasing too few quality shares. The bubble could well hurst when the speculators square up their short positions and start reck.
oning with the dark side of the

#### **ASIA PACIFIC**

# Higher futures prices lift Nikkei by 1.8%

## Banks provide interest in quiet summer trading

BANKS provided the interest on a quiet day as interim results from Germany and Switzerland confirmed prom ises from the industry of a full earnings recovery in 1991. writes Our Markets Staff.

FRANKFURT continued to find support above the 1,600 line on the DAX index, which closed 9.36 higher at 1,614.93 after a 6.90 gain to 673.92 for the FAZ at midsession. Volume rose from DM2.9bn

to DM3.6bn. Ms Barbara Alt-mann, of B Metzler in Frankfort, said that the market had taken some comfort from the gains in New York and Tokyo overnight, that short-covering continued and that there had been some small buying orders, both from Germany and from London.

Banks reflected Friday's good results from Commerzbank, which rose DM4 to DM245.50, and extended the Rayernaer put on another DM9.50 to DM396.50 yesterday for a two-day rise of DM15. Dresdner rose DM4 to DM357.50 on confirmation that Allianz, the insurer, had raised its stake to

23 per cent. Among retailers, rights in Douglas stopped trading sepa-rately and the shares, relieved of this distraction, rose DM19 to DM719. But Karstadt was only into its second day of rights trading and the shares lost another DM3 to DM572 for

a two-day fall of DM17.
MILAN was lifted by a late banking rally, but trading remained thin as the current political uncertainty increased the possibility of early elecis. The Comit index rose 0.97 to 569.91 in turnover esti-mated et slightly more than Monday's L51bn, the lowest daily volume in the last six

In banks, Credito Italiano rose L65 to L2,735, while Banco di Roma firmed L35 to L2,785. Banca Commerciale Italiana closed L86 up at L4.825.
After the close, state-owned
Banco di Napoli said it will
offer 100m new ordinary shares

at between LA,000 and LA,500 each to domestic and foreign investors. Banco di Napoli savings shares were unchanged at L1,910. ZURICH featured a SFr40

Day's High 1109.25

rise to SF12,040 in CS Holding bearers on the good first half results from Crédit Suisse, its banking subsidiary. The Crédit Suisse index, meanwhile, rose 1.8 to 543.4.

MADRID edged lower, the general index losing just 0.22 to 269.51 in volume of around Ptallbn. A 1.5m share block trade in stronger at Pta4,295, enlivened the banking sector.

Campsa was suspended following Monday'e announce-ment that Spain's leading oil refiners have agreed to take over the former retail monopoly's marketing operations, and launch a public hid for the 2.5 per cent of Campsa traded on the Spanish stock

exchanges.
PARIS ended slightly lower in very quiet holiday trading. The CAC-40 index closed 1.31 lower at 1,756.59. Volume was estimated at no more than FFr1.5bn, after FFr1.7bn.

Analysts said there was some buying of stocks with clear earnings visibility. Alcatel-Alsthom rose FFr5 to FFr573 with 91,270 shares traded. Investment certificates in Rhône-Poulenc rose FFr4 to FFr355 after its US unit, Rhône-Poulenc Rorer, reported a second quarter net profit of \$68.3m against a lose of \$178.1m in the year-ago period. On the downside, Peugeot stayed weak after Monday'e fall. The stock lost FFr10 to

FFr577 in 79,725 shares. Casino,

the retailer, succumbed to prof-

it-taking after its recent rise,

losing FFr3.40 to FFT140.60

Day's Low 1106.85

FT-SE Eurotrack 100 - Jul 30

Hourly changes

Open 10 am 11 am Noon 1 pm 2 pm 3 pm Close 1107,01 1107,26 1108.29 1108.63 1108.45 1108.29 1108.52 1107.96

with a respectable 112,500 shares traded. OSLO was boosted by stron ger-than-expected first half results from the pharmaceuti-cal company, Hafslund Nyco-med. The all-share index climbed 3.35 to 505.58 in turnover worth NKr308m, of which NKr82m was in Hafslund.

Hafslund A shares jumped NKr9 to NKr206, while Hafs-lund B gained NKr8.50 to NKr221. First half pre-tax profmarket expectations of around NKr500m. Mr Andrew Porter at Nikko said that fears of Hafslund's aggressive acquisition programme, and its exposure to the dollar and the yen, were proving to be unfounded.

STOCKHOLM was underpinned by continued demand for Astra and Ericsson. The Affarsvärlden general index rose 1.9 to 1,110.2 in low volume of

to 1,110.2 in low volume of SKr253m after SKr233m.

AMSTERDAM ended mixed, the CBS tendency index closing unchanged at 93.5. The trading house, Borsumii, tumbled by F19.80, or 12.5 per cent to F168.70 after it issued a profit warning for 1991.

ISTANBUL dropped 3.1 per cent to a new 1991 low on panic sales on economic uncertainty

sales on economic uncertainty and rising interest rates. The index fell 91.44 to 2,892.94. BRUSSELS was led higher by the chemical company UCB,

the market's first rise in 11 sessions. The Bel-20 index added 5.55 to 1,129.79. UCB, which had jumped 2.5 per cent in the previous two sessions, added another 2.2 per cent to BFr17,675 with 3,520

Emiko Terazono in Tokyo.

institutions stayed away.
Gains led declines hy 733 to
212, with 153 issues unchanged.

Prospects of lower interest rates pushed up the futures market. The Nikkal futures

ish 420 higher at 24,300.

correction was likely soon. Mr Masemi Okuma at I Phillips & Drew said the major factor supporting cash stock prices was the rise in the futures markets, and that a fall in the futures would be exacer-bated in the thin cash market. Rising issues included inter-

on a sharp increase in overseas

#### **SOUTH AFRICA**

pressure. Bullion prices held at lower levels as platinum prices dropped to 5½ year lows. The all-gold index fell 54 to 1,299 hnt the industrial index rose 27 to 4,041. The all-share index fell 18 to 3,456.

cent by the end of the year. News that the current account

deficit had narrowed in June

also helped. The All Ordinaries index rose 6.7 to 1,574.2 in turn-over of A\$223m, after A\$177m.

cents or 22 per cent on Mon-day, added 2 cents at 85 cents

after the company confirmed

that it had signed a joint ven-ture agreement with four Euro-

Monday's pre-budget rally on

TNT, which had jumped 15

Tokyo SHARE prices rose charply yesterday, pushed up by higher futures prices, lower bond yields and arhitrage related bnying hy dealere, writes

The Nikkei average closed up 429.05 or 1.8 per cent at 23.872.63 after opening at the day's low of 23,466.90 and ris-ing to 23,956.13 in the after noon, Voluma increased to 280m shares, hut most of the activity came from dealers as

The Topix index of all first section stocks added 20.94 at 1,846.98, and in London the ISE/Nikkei 50 index put on 2.59

broke through a psychological resistance level of 24,070 to fin-

Traders noted that institutions were trading futures due to the low volume in the cash market. "Institutions are paying the price for liquidity by bnying expensive futures," said Mr Graham Biggart at Schroder Securities. But he added that a modest downward

est rate-sensitive stocks. Nip-

pon Steel, the most active issue of the day, moved up Y5 to Y420 on reports that Toyota had agreed to its proposed rise sheet steel prices. Securities companies were firm, investors believing that Monday's revelation of the names of clients compensated by the Big Four concluded the

recent stock market scandals. Nomnra improved Y30 to Y1,800 and Nikko Y21 to Y941. Airline shares were stronger

GOLDS remained nuder

#### of news of a narrower than expected deficit. A tightening highest level since last August on forecasts from Mr John of company tax laws also cast Kerin, government treasurer, that inflation could fall to 3 per a shadow over shares. The NZSE-40 indax closed

the special session 15.93 or 1.1

per cent higher on the day at 1,463.36. Turnover expanded to a heevy NZ\$46.6m from KUALA LUMPUR drifted lower as earlier optimism on earnings waned. The market was disappointed by the interim results from General Lumber. The composite index

slipped 5.05 to 602.06 in volume pean post offices and the Cana-dian post office to create an express and courier operation. of M\$73.1m, against M\$78.1m. The plantation stock index fell 1.9 per cent on reports that US soyabean growers were in a NEW ZEALAND continued favoured position to ship a sub-stantial quantity of soya oil to hopes that the government would implement drastic India, possibly displacing Malaysian palm oil shipments. SINGAPORE weakened,

changes in spending patterns that would help it achieve a target of balancing its budget by 1993. The NZSE-40 index affected by disappointing interim results from Sembawang Maritime. The Straits Times Industrial index lost 8.54 climbed 30.2 or 2.1 per cent to However, share prices came to 1,486.28, while volume eased off their highs in a special to \$\$80.92m from Monday's S\$103.42m that was inflated by the listing of CSA Holdings. extended session in a cautious reaction to the budget, in spite

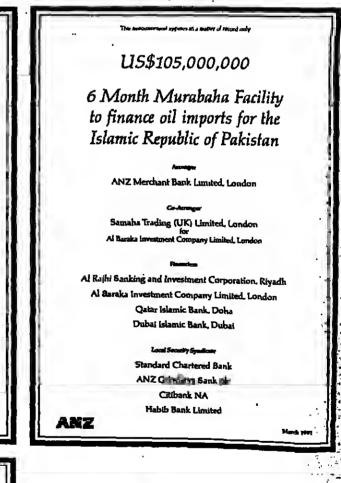
SEOUL gained ground for the fourth straight session to reach the highest level this year. The composite index closed at 734.48, up 20.21 or 3 per cent on record volume of Won972.8bn. Share prices rose on optimism that the market was emerging from the dol-drums after 27 months.

HONG KONG continued to digest its recent record-breaking gains. The Hang Seng index shed 24.46 to 3,991.83 and turnover fell to HK\$1.36bn, its lowest volume in a month, from Monday's HK\$1.6bn.
TAIWAN finished higher

after a volatile day. The weighted index ended 4224 ahead at 5,227.83 but turnover fell to T\$27bn from T\$42bn. BANGKOK was pushed upwards by gains in the construction sector. The SET index closed 1.54 firmer at 743.95 on turnover of Bt5.02bn. MANILA was boosted by the telephone blue chip PLDT's sharp overnight gain in New York. The composite index moved ahead 21.80 to 1,021.72. Combined turnover rose to

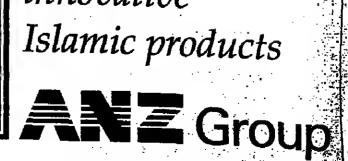
120.3m pesos from 97.2m.

# US\$100,000,000 12 Month Murabaha Facility to finance oil imports of National Refinery Limited Pakislan State Orl Company Limited ANZ Grindlays Bank plo ANZ



# US\$100,000,000 6 Month Murabaha Facility to finance oil imports for India ANZ

Retaining its lead in innovative



Contact: Razi-ur-Rahman Khan, ANZ Merchant Bank Limited, Palace House, 3 Cathedral Street, London SE1 9AN, Tel-071-378

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Galdman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS			MO	NDAY J	ULY 29 1	991			FRIDAY JULY 26 1991 DO							DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Dey's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yleld	US Dalter Index	Pound Sterling Index	Yen Index	DM Index	Local Currency index	1991 High	1991 Low	Year ago (approx)		
Australia (69)	147.24	+0.2	130.36	128.58	134.18	126.09	+0.3	5.10	146.90	129.10	127.95	132.77	125.69	148.05	112.74	146.86		
Austria (20)	175.45	- 1.3	155.34	153.22	159.90	159.36	-0.5	1.74	177.73	155.19	154.82	160.64	160.18	222.37	187.00	279.68		
Belgium (49)	127.33	-12	112.74	111.18	118.04	113.36	-0.2	5.20	128.84	113.23	112.22	118.45	113.59	151,20	121.73			
Canada (115)	139.63	+0.0	123.63	121.93	127.25	116.17	+0.0	3.34	139.57	122.68	121.57	126.14	116.23	142.27	126,49	139.50		
Denmark (37)	252.14	-0.5	223.25	220.18	229.80	232.17	+0.2	1.52	253.45	222.74	220.78	229.08	231.74	270.56	217.74			
Finland (16)	98.66	+02	87.53	86.33	90.10	87.32	+0.8	2.78	98.62	86.67	85.91	89.14	86.81	125.15	90.00			
France (110)	128.96	-1.3	114.15	112.51	117.52	120.58	-0.6	3.89	130.67	114.84	113.61	118.09	121.29	152.26	120.60			
Germany (65)	105.19	-1.7	93.14	91.87	95.87	95.87	-0.9	2.34	107.04	94.07	93.25	96.74	96.74	125.35	102.03	141.77		
Hong Kong (55)	168.05	-0.4	148.79 135.92	146.75	153.16	167.24	-0.4	4.15	158.70	148.26	146.95	152.49	187.89	168.75	119.62	143.05		
Ireland (19)	153.51	-0.1		134.06	139.91	141.47	+0.5	3.53	153.60	134.98	133.79	138.82	140.76	182.46	132.88			
Haly (77)	73.84	-1.5	65.37	64.48	67.29	72.18	-0.8	3.24	74.93	65.85	65.26	67.72	72.63	88.23	69.89	106.83		
Japan (474)	129.41	-0.7	114.58 202.33	113.01	117.95 208.26	113.01 245.20	-0.4 -0.2	0.75	130.28	114,49	113.48	117.76	113.48	146.97	118.35	142.3		
Maleysia (68)	228.52	-0.2 -1.3	999.48	199.55 986.79	1028.82	3721.82	-1.3	2.73 1.46	228.97 1143.40	201.23	199.44	206.95	245.68	247.78	192.83	250.33		
Mexico (16)	120.00	-0.8	121.83	120.18	125.41	124.07	+0.2	4.32	138.38	1004.85	995.96 120.53			1152.58	534.45	552.0		
Netherland (31)	137.60	+1.0	41.74	41.17	42.97	43.85	+1.1	6.94	46.69	121.61		125.07	123.79	145.73	125.70	145.90		
New Zealand (14)	47.15	- 1.3	171.70	169.35	176.74	179.71	-0.5	1.63	196.39	41.03 172.60	40.67	42,20	43.37	54.64	41.18	86.41		
Norway (32)	193.68 197.30	-0.3	174.69	172.30	179.81	159.02	~1.0	2.15	199.17	175.04	171.07 173.49	177.51 180.02	180.67 180.62	223.24 208.25	182.24	261.15		
Singapore (38)	231.90	-3.0	205.32	202.51	211.34	174.21	+21	3,13	239.18	210.20	208.33	218.17	170.58	258.85	151.63	208.05		
	147.20	-0.2	130.33	128.55	134.15	122.27	+0.6	4.42	147.52	129.64	128.50	133.33	121.53		173.00	165.53		
Spain (54)	189.60	-0.2	167.87	165.58	172.81	178.17	+0.4	2.50	189.99	166.97	165.49	171.72	177.40	171.12 204.12	131.51	176.40		
Sweden (27)		-1.1	81.40	80.29	83.80	67.35	+0.0	2.21	93.00	81.74	81.02	84.07	87.38	100.67	146.60	229.00		
Switzerland (58)	91.94		153.53	151.42	158.03	153.53	+0.2	4.78	174.28	153.17	151.80	157.51	153.17	187.44	82.17	105.49		
United Kingdom (240)	173.41	<b>-0.5</b>		135.43	141.34	155.03	+0.5	3.12	154.25	135.56	134,37	139.43			156.27	172.83		
USA (526)	155.08	+0.5	137.30										154,25	158.24	125.95	143.36		
Europe (835)	138.02	-0.9	120.43	118.78	123.97	122.72	-0.1	3.89	187.22	120.59	119.53	124.03	122.83	151.52	125.50	155.18		
Nordic (112)	185.25	-0.5	164.02	161.78	168.84	165.60	+0.2	1.97	186.10	163.55	162.10	166.20	165.24	200.81	155.55	219,45		
Pecific Basin (718)	130.93	-0.B	115.93	114.34	119.33	114.79	-0.4	1.10	181.74	115.77	114.75	119.07	115.23	145.92	117.86	142.43		
Euro - Pacific (1553)	133.28	-0.7	118.01	116.38	121.46	116,74	-0.3	2.23	134.25	117.98	116.93	121.33	119.05	147.66	121.29	146.00		
North America (641)	154.04	÷ 0.5	138.38	134.53	140.41	152,45	+0.5	3.13	153.26	134.69	133.51	138.55	151.69	157.04	125.91	143.02		
	113.88	-1,2	100.83	99.47	103.81	105.02	-0.3	3.21	115.22	101.26	100.38	104.17	105.38	129.80	106.85	142.98		
	148.05	-0.1	129.32	127.56	133.18	130.56	-0.1	4.31	146.20	128.48	127.37	132,15	130.65	146.58	111.40	142.95		
World Ex. US (1745)	135.11	<b>-0.7</b>	119,62	118.00	123.14	120,18	-0.2	2.28	136.12	119.63	118.58	123.04	120.39	146.18	122.32	148.32		
World Ex. UK (2031)	137.72	-0.2	121.94	120.28	125.53	128.81	+0.0	2.34	138.07	121.34	120.27	124.80	128.76	145.77	120.06	142.78		
	140.24	-0.2	124.17	122,48	127.83	130.77	+0.0	2.59	140.59	123.55	122.46	127.07	130.73	148.66	122.92	145.19		
World Ex. Japan (1797)	146.23	-0.1	131.24	129.45	135.11	141.06	+0.3	3.45	148.36	130.38	129.24	134.11	140.98	152.83	126.69	148.50		
	140.83	-0.3	124.69	122.99	128.38	131.15	+0.1	2.59	141,22	124,11	128.02	127.65	131.07	149.01	123.28	145.43		
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